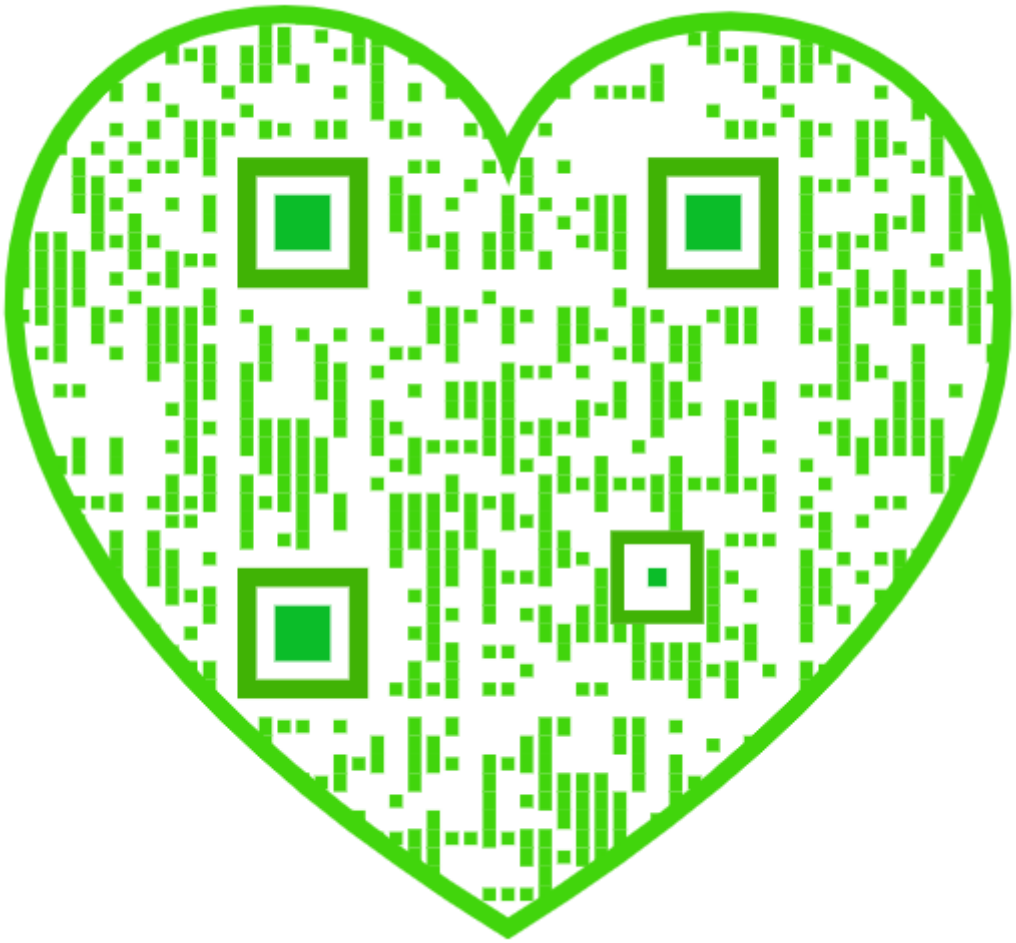

MACMILLAN'S COMMERCIAL SERIES

EDITED BY CHEESMAN A. HERRICK

EVERYDAY BOOKKEEPING

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EVERYDAY BOOKKEEPING

BY

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KANSAS CITY, KANSAS

New York
THE MACMILLAN COMPANY
1918

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Set up and electrotyped. Published April, 1917.
Reprinted December, 1917.

Norwood Press
J. S. Cushing Co. — Berwick & Smith Co.
Norwood, Mass., U.S.A.

PREFACE

EVERYDAY BOOKKEEPING presents an easy method of keeping accounts. It was prepared for the instruction of those who may desire to keep some record but who do not find the methods used in commercial bookkeeping suited to their needs. Each kind of account is treated separately, and the treatment is made elementary enough for a child to understand as soon as the matter treated comes within his or her experience. Not only is each topic treated separately, but each treatment is, in the main, independent of the others. This makes it possible to take up the chapters in any order, and those who wish instruction on a particular point can get that without having to study everything up to that point. The book may thus serve as a handbook on the topics treated.

There are taken up also those forms of commercial paper, such as notes, checks, and receipts, for which nearly every one has some use. The business statement is also treated. Following this there are a few exercises in which an account is to be written with each item. This gives a review and it also illustrates the principle of double entry bookkeeping. There are also given suggested forms of books with special columns. These are often convenient for accounts of limited range. Special column books are also treated, as they are extensively used in some lines of business.

Some portions of this book can be taught to pupils who are quite young by giving them an occasional lesson on

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some topic, as the cash account, and letting it cover a considerable period.

One who masters the contents of this book will have gained information about common business forms, will have a simple method of keeping accounts, will have learned the principles of debiting and crediting, and will have laid a foundation for the study of commercial bookkeeping.

This book is published in the hope that it will contribute in some degree to the forming of more systematic business habits by those in the schools who are soon to be engaged in the activities of life.

A. M. B.

March 1, 1917.

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EDITOR'S INTRODUCTION

THE book which follows is designed to serve the double purpose of furnishing an easy treatment of applied mathematics and a brief practical system of accounts. It ought to be a highly useful book in either direction. For quite twenty years students of educational methods, and observers of educational tendencies, have united in the statement that the results from the teaching of arithmetic have not been commensurate with the time and effort directed to this end. This is likely due to the vague and indefinite instruction given; arithmetic generally is not linked up with anything practical. Such computations as are presented in this manual offer the sort of work in arithmetic on which the pupils are likely to be tested after they leave school. More attention to such exercises as these and less to such matters as square and cube root, progressions, and ratio and proportion, would lend interest and give a better return.

In his manual on the teaching of arithmetic Professor David Eugene Smith comments thus in describing the work of the eighth school year: "It is not worth while to teach an elaborate form of bookkeeping to the average citizen. On the other hand it is necessary that every one should know how to keep simple accounts and this work should be taken up in this year." In describing the character of the proposed work Professor Smith further says, "It should relate to the income and expenditures of daily life in the home, on the farm, or in the shop."

While the time spent on arithmetic has failed to give an adequate return for the investment, the same statement is even more true of the time spent on bookkeeping. The early treatises on this subject with their cumbersome day books, journals, and ledgers have to a surprising degree continued, and to them have been added elaborate and highly complex special books which seek to give a complete articulated system of bookkeeping.

Business schools have set themselves to give actual business experience and to furnish full-fledged bookkeepers. This has not only meant a large waste of the student's time, but it has, in addition, supplied what is an undesirable product. Business men testify again and again that bookkeepers are most useful to them when they can perform the fundamental operations rapidly and correctly, and know in addition the principles of accounts. Much of the highly specialized training in bookkeeping given in commercial schools is found to be of little value when the future bookkeeper takes up his work. It is not the bookkeeping of the practical world and he is not employed to carry out his attenuated system. Instead, he must apply simple principles and perform correct computations for a system of bookkeeping already in operation in the office or business with which he connects himself.

There is, however, a place in our system of education for teaching the fundamentals of bookkeeping and with this there should be coupled practical exercises applying those principles to everyday affairs. May we not go further and say that some knowledge of accounts, and the application of accounts to the various practical interests which concern the future lives of the young people being educated, is a moral obligation to every child as a part of his equipment for life? No subject is more exacting in its demands for accuracy than is bookkeeping. A result must be either

right or wrong, and its value depends upon its absolute correctness. "Nearly right" or "correct in principle," or any other subterfuge, fails to meet the bookkeeping standard.

In his famous Letters to his son Lord Chesterfield wrote, "Keep an account, in a book, of all that you receive, and of all that you pay, for no man who knows what he receives and what he pays ever runs out."

Mr. Bogle's book shows the simplicity with which the accounts of everyday life may be kept, and the application of the principles of accounts to various interests such as a child with an allowance, accounts of a literary or debating society, accounts of a baseball team, accounts of a housewife, of a farmer, and of a physician. No better training could be imposed upon children than to require them to keep a simple record of income and outgo. Thereby they will learn to keep watch over expenditures and will be taught to look forward to a balance at the end of a period for which an allowance is made. Housewives can, by such a system of accounts as is shown on pages 110 and 111, balance the different items in their expenditures, keep an intelligent oversight over outgo, and often prevent dire distress in the home. Farmers can ill afford not to keep a simple account record, not only of the operations of the farm as a whole, but subdivided to show the results from given fields, the production of different crops, the maintenance of a dairy, the raising of animals, and the like. If such accounts were kept with the different branches of work on a farm, the farmer would shortly be able to single out the parts of his operation which net him the largest returns, and either to eliminate the loss from certain branches of his work or discontinue them altogether.

The teacher, the minister, the lawyer, the real estate and insurance agent, the gardener, the treasurer of any fund however small, the mechanic, the laborer, the boarding-house

keeper, the printer, and a multitude of other practical people who do business in a small way, should be schooled in the sort of record keeping which is presented in this book. To a surprising extent citizens of America will at some time be responsible for the receipt and disbursement of moneys not their own, and the ability to keep an intelligent record and to present an understandable statement should be an element in the education of every person.

Obviously, the elaborate course of bookkeeping often given in the private commercial school, or the commercial course of the public high school, is not possible for the rank and file of pupils. Bookkeeping is often taught as though those who studied it were to be head bookkeepers. In the first place a vast majority of the pupils never reach these schools, and those who do so give themselves largely to other studies. After some years of observation on work in commercial schools, and practical experience in a home and in the rearing of a family of children, the writer is firm in the belief that all boys and girls should be taught the fundamentals of bookkeeping, and the application of arithmetic to the keeping of their everyday accounts.

A writer on *Child Training by Bookkeeping* in "The Outlook" for August, 1906, holds that such training as is suggested above is more ethical than it is financial. It is urged that as soon as a child has a pocket, he should have a purse in it, and money in this purse. But this is not enough. There should be a system of record to keep track of this money with a frequent reviewing of the record by some older person. Mr. Bogle's book is prepared in the belief that it will serve a useful purpose in the education of boys and girls.

C. A. H.

MARCH 1, 1917.

EVERYDAY BOOKKEEPING

UNIV. OF CALIFORNIA

EVERYDAY BOOKKEEPING

INTRODUCTORY

Introductory Statement. This book gives a simple method of keeping accounts. This method may be used by a boy or girl or by a person doing a small business. It, however, would not be suitable for a concern doing a large business. Neither would plans used in a large business be practicable for a person having but few business transactions a week. But the principles used in this book are those which underlie all bookkeeping.

About Forms and Blank Books. It is hoped that many who use this text-book will be led to keep a record of their own money transactions. To do this a suitable book is needed.

There are many standard bookkeeping forms which may be secured of almost any stationer. For much of the work illustrated in this text-book, especially for young people, a small book about $4\frac{1}{2}$ inches by 7 inches is quite satisfactory. (See pages 16 and 25.) If the plan illustrated on pages 5 and 27 is followed, a book about 6 in. by 9 in. with two money columns to a page will be better. If something more pretentious is desired, such as for the special work which is treated in the latter part of the book, ask a stationer for the special column journals, special column cash books, and trial balance books.

Sometimes it is more satisfactory to rule a form that just

suits one's needs. In this event, procure a Record Book of suitable size and rule it yourself. A satisfactory width for the cents column is $\frac{5}{16}$ to $\frac{3}{8}$ of an inch and for the dollar column $\frac{1}{2}$ to $\frac{5}{8}$ of an inch. Note that a double ruled line occurs at the left of the dollar columns and a single line between the dollar and the cent columns. A rather stiff pointed pen will give most satisfactory results in ruling.

Debits and Credits. Two of the common terms used in business are debit and credit. These are applied to persons and also to such items as cash, merchandise, notes, interest, salary, and expense.

Account. An *account* is a systematic arrangement, under a single heading, of all the debit and credit items of a series of transactions with the same person, or pertaining to the same thing. In an account, the debits are placed at the left and the credits at the right.

CHAPTER I

THE CASH ACCOUNT

Money includes the gold, silver, nickel, and copper coins made by the government, also paper currency issued by the same authority. Money is used as a measure of value and as a medium of exchange. Values are reckoned and recorded in money. *Cash* includes money, checks, money orders, sight drafts, or anything that can be converted into money on demand. The *cash account* is the record of cash transactions. It is a very important account to keep.

An account is kept by a system of debits and credits. There are different ways of arranging accounts, but the illustration given on page 5 shows a simple method. To enable the pupil to decide the debits and the credits, rules will be given. Here is the one for cash:

RULE FOR DEBITING AND CREDITING CASH

Debit / *Credit* } *cash when it is* { *received.* / *given out.*

Balancing. The footing of the debit column gives the amount of cash received; and the footing of the credit column gives the amount paid out. The difference between these footings is the balance or the amount on hand, and when placed in the column with the smaller amount will make the two columns balance. The word *Balance* or the

phrase *Amount on hand* may be written in the explanation column. Then the footings of each column should be written. An account may be balanced at such times as may be desired.

Ruling. After the balance has been written, rule a single line exactly upon the blue line in the account book. This is the addition line. Below the footings, and also at the left, rule two lines very close together, with the upper one exactly on the blue line. It is usual to use red ink for these rulings and also for the balance, but the same colored ink may be used as for the other part of the account.

Re-opening. To re-open the account the amount on hand is brought below the rulings and placed in the column opposite that in which it was first placed. This is done when the record is to be continued.

A proper arrangement of the cash account is shown in the model on the opposite page.

Exercises for Practice

Directions. Write up the following exercises, observing as a model the form given. Refer to the rule for debiting and crediting cash until it is thoroughly familiar.

EXERCISE 1

A Boy's Cash Account

January, 19—.

1. Amount on hand, $2.50.
3. Paid for flash light, $1.50.
4. Paid car fare, 10c.
5. Received for running errand, 50c.
7. Received for carrying valise to station, 10c.
12. Paid for show, 20c.
15. Received for 2 days' work, $2.50.
18. Paid for shoes, $2.75.
21. Paid car fare, 10c.

Cash Account

1916			Dr.	Cr.
Jan.	1	Opened a cash account this day with the amount on hand	20 45	
	3	Paid for coal		7 40
	5	Received for apples sold	5 20	
	8	Received for 40 bu. wheat @ 62¢	24 80	
	10	Bought pair shoes for John		1 25
	12	Paid subscription to Farm and Fireside for year ending Dec. 31, 1916		50
	15	Paid for shoeing horses		1 40
	20	Sold calf	7 00	
	31	Amount on hand		46 90
			57 45	57 45
Feb.	1	Amount on hand	46 90	
	3	Paid for repairs on wagon		2 75
	5	Bought suit for Ralph, $3.25; hat for George, 75¢; ribbon for Mary, 35¢		4 35
	8	Paid for 3 days' labor @ $1.25		3 75
	12	Sold 12 bu. apples @ 80¢	9 60	
	20	Paid for insurance on dwelling for 3 years		12 60
	28	Amount on hand		33 05
			56 50	56 50

REMARK. It is quite common, in balancing the cash account, to use the word *Balance* instead of the phrase *Amount on hand.* But the latter is more definite, and it is better for the beginner to use it.

January, 19—

26. Received for selling papers, 50c.
    Paid for letter paper, 10c.
28. Received for doing chores, 75c.
29. Paid for book, 50c.
31. Balance and rule the account. (Balance, $1.60.)

February, 19—.

1. Transfer the balance below the rulings.
3. Paid for lunch, 15c.
7. Paid for gloves, 50c.
10. Received for 4 days' work, $5.
12. Paid for window glass broken, 50c.
16. Received for delivering message, 25c.
19. Paid for repairing shoes, 90c.
21. Paid for pair skates, $1.
22. Paid for bicycle tire, $2.50.
23. Received for delivering groceries one half day, 75c.
24. Paid for tie, 25c.
25. Received for shoveling snow from sidewalk, 50c.
26. Paid for lunch, 15c.
26. Paid car fare, 10c.
28. Balance and rule the account. (Balance $2.05.)

EXERCISE 2

A Young Lady's Cash Account

February, 19—.

1. Amount on hand, $7.50.
1. Received allowance, $5.
3. Paid for sheet music, 25c.
4. Paid for music lesson, $1.
10. Paid for fountain pen, $2.50.
10. Paid car fare, 5c.
11. Paid for ribbon, 15c.
11. Paid for music lesson, $1.
16. Received for errands for Mr. Browning, 75c.
18. Paid car fare, 10c.
18. Paid for music lesson, $1.
23. Received for doing errands for Mr. Coffey, 50c.
24. Paid music club dues for February, 20c.

February, 19—.

25. Paid for music lesson, $1.
25. Paid for lunch, 15c.
28. Balance and rule the account. (Balance, $6.35.)

March, 19—.

1. Transfer the balance below the rulings.
1. Received allowance, $5.
4. Paid for music lesson, $1.
7. Received for doing secretarial work for Mrs. Wilson, 50c.
7. Paid for stamps and stationery, 50c.
8. Received for mending Aunt Orpha's dress, 50c.
11. Paid for music lesson, $1.
11. Paid car fare, 10c.
15. Paid for evening gloves, $1.
17. Received for helping Aunt Caroline clean windows, 50c.
18. Paid for music lesson, $1.
25. Paid for car fare, 10c.
25. Paid for music lesson, $1.
28. Paid for sash for my lace dress, $1.50.
28. Paid for book for Helen's present, $1.45.
29. Paid music club dues for March, 20c.
29. Received for doing secretarial work for Mrs. Wilson, $1.75.
31. Paid for tooth brush and powder, 50c.
31. Balance and rule the account. (Balance, $5.25.)

EXERCISE 3

Another Cash Account for a Boy

May, 19—.

1. Amount on hand, $1.30.
3. Received of Samuel Wilson for 3 days' hoeing, at 50c.
6. Paid for car fare, 10c.
8. Bought necktie, 20c.
13. Paid for club dues, 10c.
18. Received of John Bowser for cutting weeds, 1½ days at 50c.
20. Paid for amusements, 20c.
21. Paid for expenses at social, 25c.
24. Received of Wm. Cooper for helping to re-plant corn, 3 days at 50c.
27. Paid for a baseball, 25c.
31. Balance and rule the account. (Balance, $3.95.)

June, 19—.

1. Transfer the balance below the rulings.
3. Paid for club dues, 10c.
6. Bought hat, 60c ; pair shoes, $2.; handkerchief, 15c.
10. Paid for car fare, 10c.
15. Received of Samuel Wilson for cultivating corn, 5 days at 50c.
17. Paid for baseball bat, 15c.
20. Bought pocket knife, 40c.
24. Paid for refreshments, 15c.
26. Received of Uncle John for helping to repair fence, 1½ days at 50c.
30. Balance and rule the account. (Balance, $3.55.)

EXERCISE 4

A School Girl's Cash Account

September, 19—.

9. Received of father, $5.
9. Bought algebra, 60c ; civil government, 75c ; Latin lessons, 65c; English composition, 55c.
12. Paid for car fare, 10c.
15. Paid for hair band, 10c.
16. Bought drawing material, 95c.
22. Paid for ice cream soda, 10c.
24. Paid for ribbon, 15c.
25. Bought bottle ink, 10c ; pens, 5c; paper, 10c.
29. Paid for comb, 10c.
30. Balance and rule the account. (Balance, 70c.)

October, 19—.

Transfer the balance below the rulings.

1. Bought pencil tablet, 10c.
6. Paid for barrette, 10c.
10. Received of mother, $1.
10. Bought pair shoes, $1.40.
13. Paid for amusements, 10c.
15. Received of father, $1.
17. Paid car fare, 10c.
20. Paid for candy, 10c.
23. Bought bottle fixative, 20c.
25. Paid membership fee English Club, 25c.
27. Paid for pencils, 10c.
31. Balance and rule the account. (Balance, 25c.)

EXERCISE 5

A Farmer Boy's Cash Account

January, 19—.

1. Received from father, $3.
2. Bought account book, 15c.
2. Bought pair skates, $1.25.
20. Paid my share of expense at social, 20c.
25. Bought pair gloves, 75c.
30. Bought tie, 25c.

February, 19—.

5. Received for helping neighbor drive cattle to market, 50c.
10. Bought pair ear muffs, 20c.
12. Bought candy, 10c.
15. Bought ticket for entertainment, 25c.
25. Paid for sewing ball cover, 15c.

March, 19—.

1. Received from father, $1.
4. Bought pair overshoes, 75c.
8. Paid postage on letter, 2c.
25. Paid for mending bridle, 10c.
31. Balance the account. (Balance, 33c.)

April, 19—.

1. Transfer the balance below the rulings.
10. Bought lead pencil, 5c.
15. Received from neighbor for hauling corn to market, 75c.

May, 19—.

9. Bought 2 collars, 25c.
15. Bought base ball, 50c.
27. Received from father, 50c.
30. Bought pair suspenders, 40c.

June, 19—.

10. Bought straw hat, 25c.
15. Received from father, $1.
22. Bought pair socks, 20c.
30. Balance the account. (Balance, 93c.)

July, 19—.

1. Transfer the balance below the rulings.
15. Paid expense at ice cream social, 20c.
18. Sold 15 watermelons, $1.75.
25. Bought shirt, 75c.
28. Sold 20 watermelons, $2.50.

August, 19—.

4. Sold 20 watermelons, $2.25.
10. Bought pocket knife, 60c.
12. Sold 30 watermelons, $3.50.
20. Bought 2 handkerchiefs, 25c.
25. Received from Hiram Brandon for carrying water for threshers, 50c.

September, 19—.

8. Paid admission to county fair, 25c.
8. Paid for pop corn, 5c.
15. Paid my share on ball for school, 10c.
20. Bought 6 pen points, 5c.
27. Paid postage on letters, 6c.
30. Balance the account. (Balance, $9.12.)

October, 19—.

1. Transfer the balance below the rulings.
10. Bought pair shoes, $2.25.
19. Bought cap, 75c.
25. Bought bottle ink, 10c.

November, 19—.

4. Bought fountain pen, $1.
12. Paid for repairs on shoes, 15c.
21. Bought collar button, 10c.
26. Bought skate strap, 10c.

December, 19—.

3. Bought iron for sled runner, 30c.
12. Paid expense at oyster supper, 20c.
18. Bought Christmas present for mother, 25c ; for father, 20c.
28. Paid admission at entertainment, 15c.
31. Balance the account. (Balance, $3.57.)

EXERCISE 6

A Girl's Cash Account

January, 19—.

1. Received monthly allowance from mother, 50c.
5. Bought account book, 20c.
9. Bought ribbon, 5c.
15. Bought letter paper, 10c.
26. Paid postage on letters, 4c.

February, 19—.

1. Received monthly allowance from mother, 50c.
8. Bought hair pins, 10c.
12. Bought comb, 20c.
21. Bought handkerchief, 15c.

March, 19—.

1. Received monthly allowance from mother, 50c.
3. Bought candy, 5c.
10. Bought bracelet, 49c.
21. Bought pins, 3c.
31. Balance the account. (Balance, 9c.)

April, 19—.

1. Transfer the balance below the rulings.
1. Received monthly allowance from mother, 50c.
8. Bought pair stockings, 20c.
15. Bought beads, 15c.
23. Bought spool silkateen, 5c.

May, 19—.

1. Received monthly allowance from mother, 50c.
4. Bought thimble, 5c.
7. Bought paper needles, 10c.
15. Bought candy, 5c.
27. Paid postage on letters, 6c.

June, 19—.

1. Received monthly allowance from mother, 50c.
10. Bought ribbon, 20c.
16. Bought 6 pen points, 5c.
21. Bought two skeins floss, 5c.

June, 19—.
25. Bought crochet hook, 5c.
30. Balance the account. (Balance, 58c.)

July, 19—.
1. Transfer the balance below the rulings.
1. Received monthly allowance from mother, 50c.
3. Bought collar, 25c.
4. Bought ice cream, 10c.
20. Bought handkerchief, 20c.

August, 19—.
1. Received monthly allowance from mother, 50c.
10. Bought yard lawn for apron, 15c ; bolt fancy braid, 10c.
17. Bought vase for flowers, 10c.
22. Bought paper napkins, 5c ; paper cups, 5c ; paper plates, 5c.

September, 19—.
1. Received monthly allowance from mother, 50c.
10. Bought writing tablet, 5c ; box paints, 10c.
15. Bought book strap, 10c.
18. Bought candy, 10c.
23. Bought picture card for bedroom, 10c.
30. Balance the account. (Balance, 58c.)

October, 19—.
1. Transfer balance below the rulings.
1. Received monthly allowance from mother, 50c.
4. Bought pin cushion, 10c.
10. Bought brush and comb tray, 25c.
16. Bought 4 skeins floss, 10c.

November, 19—.
1. Received monthly allowance from mother, 50c.
7. Bought $\frac{1}{3}$ yard handkerchief linen, 20c.
15. Bought pencil eraser, 5c.
26. Bought tooth brush, 15c.

December, 19—.
1. Received monthly allowance from mother, 50c.
5. Bought to use in making Christmas presents, yard fancy ribbon, 10c ; bolt baby ribbon, 10c ; ball crochet cotton, 15c.

December, 19—.

10. Received of Uncle Manson, $1.

15. Bought doll for sister for Christmas, 35c ; present for cousin Mattie, 25c ; Christmas cards, 10c.

31. Balance the account. (Balance, $1.18.)

EXERCISE 7

A Carpenter's Cash Account

April, 19—.

1. Amount on hand, $35.20.
4. Bought saw, $1.25 ; hammer, 75c.
9. Paid house rent for month ending May 8, $12.50.
12. Bought pair shoes for myself, $2.25.
16. Bought chisel, 60c.
18. Received of John Killion for roofing house, $6\frac{3}{4}$ days, $23.50.
24. Bought lumber for tool chest, $3.60 ; locks, hinges, handles, etc., $1.30.
25. Paid for insurance on household goods for 3 years, $2.35.
26. Bought hat for Willie, 60c.
30. Paid during month for meat and groceries, $16.40.

May, 19—.

1. Received of A. S. Colvin for repairing his porch, 2 days, $7.50.
4. Bought plane stock and two bits, $2.75 ; brace, $1.75 ; 5 bits for brace, $1.
6. Received of W. S. Manley for putting curb on cistern, $2.50.
9. Paid house rent for month ending June 8, $12.50.
10. Bought 6 chairs at 75c each.
11. Received of R. W. Kelley for week's work on house at 227 Blair Avenue, $21.
14. Paid water rent for April, May, and June, $2.
18. Received of R. W. Kelley for 5 days' work on house at 227 Blair Avenue, $17.50.
20. Paid life insurance premium, $22.38.
23. Bought pair overalls, $1.25.
25. Received of R. W. Kelley for 4 days' work on house at 227 Blair Avenue and 2 days' work on barn at 930 Garfield Avenue, $21.
27. Received of M. A. King for interest for 6 months ending to-day on note dated May 27, 191—, $9.60.
31. Paid during month for meat and groceries, $18.95.
31. Balance the account.

EXERCISE 8

A Laborer's Cash Account

June, 19—.

1. Amount on hand, $20.15.
4. Paid gas bill for May, $1.75.
6. Received of J. W. Coleman for 4 days' work with team excavating cellar at 1512 Euclid Avenue, $13.
9. Paid for shoeing horse, 40c.
10. Bought for horses and cow 3 bales hay, at 35c.
13. Received of J. W. Coleman for 4 days' work with team, grading lot at 720 N. 12th Street, and 2 days' excavating cellar at 940 Benson Avenue, $19.50.
15. Bought shingles for roofing porch, $5.25.
20. Received of W. L. Bailey for 6 days' work with team, hauling brick, $19.50.
23. Paid L. E. Riveley for roofing porch, $2.75.
25. Bought bridle, $1.40.
27. Received of W. L. Bailey for 2 days' work with team hauling brick, at $3.25 ; 4 days' work tending mason, at $1.50.
30. Sold during month to neighbors, garden vegetables, $2.10 ; milk, $1.45.
30. Paid during month for groceries, $8.30.

July, 19—.

3. Received of L. L. Hart for hauling lumber, 6 days at $3.25.
4. Spent at picnic, 90c.
6. Paid gas bill for June, $1.50.
11. Received of L. L. Hart for hauling lumber, 6 days at $3.25.
14. Bought cement and sand for walk, $2.80.
15. Bought corn and chop, $3.60.
17. Received of Archey Colvin for one month's board, $15.
18. Received of L. L. Hart for hauling lumber, 2½ days at $3.25; of S. M. Harsley for grading lot, 3 days at $3.25.
20. Bought clothing material for wife and children, $10.30.
22. Received of L. C. Scott for hauling sand, 2 days at $3.25.
31. Sold to neighbors during month, garden vegetables, $6.20 ; milk, $1.95.
31. Paid during month for groceries, $12.15.
31. Balance the account.

ANOTHER PLAN FOR KEEPING AN ACCOUNT

Instead of using one page in making a record of transactions, two pages may be used, putting the debits on the left-hand page and the credits on the right-hand page. In this method, when the account is balanced, the footings are placed on the same blue line on the opposite pages. This plan is illustrated on the next page, using the cash account of page 5. It is recommended that the pupil write a few exercises after this model.

If the column for explanations is narrow and there are several items in a transaction, the arrangement used in the account on page 27 is the more convenient. If the column is very narrow, the amount for each item may be put in the money column instead of putting the total for the group in this column. But if the column for the explanations is wide, the plan used for February 5 in the cash account on page 5 gives the more economical use of the space.

Use of Capitals. In the illustrations in this book the names of articles are capitalized when they are listed in tabular form. But usage on this point is not uniform. [See page 27.]

Fractions. A fraction of a cent should never appear in the money columns. If the fraction is one-half cent or more, call it one cent; if it is less than one-half cent, drop it.

EXERCISE 9

A Cash Account for Basket Ball Team

Suggestion. This and the following exercises on the cash account may be written as shown in the model on page 16.

November, 19—.

13. Receipts of game with Kansas City University, $10.35.
24. Receipts of game with Rosedale High School, $8.95.
24. Paid expenses of game with Rosedale High School, 80c.

Cash Account

(Left-hand Page) Cash Debit					(Right-hand Page) Cash Credit				
1916					1916				
Jan.	1	Opened a cash account this day with the amount on hand		20 45	Jan.	3	Paid for coal		7 40
						10	Bought pair shoes for John		1 25
	5	Received for apples sold		5 20		12	Paid subscription to Farm & Fireside for year ending Dec. 31, 1916		50
	8	Received for 40 bu. wheat @ 62¢		24 80		15	Paid for shoeing horses		1 40
	20	Sold calf		7 00		31	Amount on hand (Red Ink)		46 90
				57 45					57 45
Feb.	1	Amount on hand		46 90	Feb.	3	Paid for repairs on wagon		2 75
	12	Sold 12 bu. apples @ 80¢		9 60		5	Bought suit for Ralph $3.25; hat for George, 75¢; ribbon for Mary, 35¢		4 35
						8	Paid Ralph Colvin for 3 days' labor @ $1.25		3 75
						20	Paid for insurance on dwelling for 3 years		12 60
						28	Amount on hand (Red Ink)		33 05
				56 50					56 50

December, 19—.

3. Received for season tickets, $35.

4. Received of Central High School team our share of receipts of game there, $14.13.

8. Received for season tickets, $25.

8. Paid for knee guards, $2 ; car fare, 15c.

10. Paid A. G. Spalding and Bros. per bill of November 29, $17.25; bill of December 2, $4.

11. Received our share of door receipts of game played with Manual Training High School, $7.50.

14. Paid A. G. Spalding and Bros. per bill of December 11, $1.75.

23. Received our share door receipts of game with Westport High School, $11.

23. Paid car fares and refunds, $4.75.

January, 19—.

7. Received one-half of net proceeds of game with Central High School, $6.85.

7. Paid for 300 membership tickets, $1.50.

19. Paid Baker and Lockwood Mfg. Co. for five lengths 4-tier circus seats for gymnasium, $36.75.

21. Received one-half net proceeds of game with Manual Training High School, $4.

26. Paid expenses of team to Leavenworth, Kan., $6.

29. Door receipts of game with Topeka, Kan., High School in our gymnasium, $12.75.

29. Paid for referee of game with Topeka High School, $5.

29. Paid railroad fare of Topeka High School team, $18.70.

February, 19—.

5. Door receipts of game with Westport High School, $32.50.

5. Paid expenses of officials of game with Westport High School, $10.

5. Paid Westport High School team one-half net proceeds, $11.25.

14. Received of Central High School team one-half of net proceeds of game with them, $4.51.

26. Received our share of net receipts of game with Manual Training High School, $12.

28. Paid expenses of team to Topeka, Kan., $4.50.

March, 19—.

1. Paid W. C. Landson, Lawrence, Kan., entrance fees for Basket Ball tournament, $2.

4. Received our share net proceeds of game with Westport High School, $1.

5. Received our share net proceeds of game with Leavenworth, Kan., High School, $5.

10. Paid E. K. Kendrick for expenses of team attending tournament at Lawrence, Kan., $40.

14. Received of E. K. Kendrick unused balance of cash advanced him March 10, $11.

24. Paid manager of team for outlay for basket ball laces, whistle, etc., $1.40.

24. This being the end of the season, the account may be balanced.

EXERCISE 10

A Cash Account for Baseball Team

April, 19—.

3. Received for sale of season tickets, $36.75.

3. Gate receipts of game with Westport High School, played at Chelsea Park, $7.50.

3. Paid expenses of game with Westport High School : Rent of Park, $5; umpire, $2.50; ball shag, 50c; water boy, 25c; peroxide, 25c.

13. Gate receipts of game with Central High School, played at Chelsea Park, $5.25.

13. Paid expenses of game with Central High School : Rent of grounds, $5 ; umpire, $2.50 ; water boy, 25c ; ball shag, 50c.

15. Paid A. G. Spalding and Bros. for ball and bat, $2.25.

16. Gave A. McDonald for expenses of team to Lexington, Mo., $20.

17. Receipts of game with Wentworth Military Academy, $18.40.

20. Receipts of game with Leavenworth High School, at Chelsea Park, $1.

20. Paid expenses of game with Leavenworth High School : Ball shag, 25c ; water boy, 25c ; rent of grounds, $5 ; umpire, $2.50.

27. Receipts of game with Manual Training High School, $4.50.

28. Paid expenses of game with Manual Training High School : Umpire, $2.50 ; shag, 50c ; water boy, 25c ; bat, $1 ; rent of grounds, $5.

May, 19—.

5. Receipts of game with Central High School, $1.
5. Paid for baseball, $1.
18. Paid expenses of team to Leavenworth, Kan., $8.40.
26. Received from profits of excursion to Parkville, Mo., $42.50.
28. Paid James Bresnahan for balls, $2.50.
30. Paid R. W. Van Peyma for mitt, balls, etc., per bill, $46.90.
30. Balance the account.

EXERCISE 11

A Farmer's Cash Account

May, 19—.

1. Cash on hand and in bank, $780.60.
3. Bought 8 steers at $16.
5. Paid grocery bill, $8.90.
12. Sold 30 lb. butter at 28c ; 18 doz. eggs at 22c.
16. Bought coat for Hiram, $2 ; hat for Jennie, $1.25.
25. Paid insurance for six months, $12.50.
29. Paid for shoeing horses, $2.50.

June, 19—.

4. Paid on piano bought of Jenkins' Sons Music Co., $100.
7. Paid farm help to date, $35.
11. Paid blacksmith's bill, $18.40.
12. Paid note of March 14, $210, and interest for 90 days at 6%.
18. Received of F. C. Landers for amount due on account, $39.
20. Paid for dress goods, etc., $9.80.
25. Paid annual subscription to Benevolent Society, $5.
27. Sold 20 bu. corn at 63c ; 80 bu. wheat at 90c ; 12 hogs, weighing 2980 lb., at 5¼c.

July, 19—.

2. Paid for repairing buggy, $2.75.
6. Received of St. James Hotel in part payment of butter, eggs, and chickens delivered, $5.
10. Received of St. James Hotel on account, $20.
14. Sold 25 chickens at 25c ; 15 ducks at 30c ; 9 doz. eggs at 20c.
15. Paid for groceries, $12.35.
16. Paid farm hands to date, $38.
20. Sold a dressed hog, 215 lb., at 6c.

July, 19—.

25. Received of St. James Hotel in part payment for butter, eggs, and chickens delivered to them to-day, $10.

30. Received of St. James Hotel to apply on account, $15.

31. Balance the cash-book.

August, 19—.

1. Bring down the cash balance.

3. Paid subscription to Girard Press, $1.50.

4. Sold John Wilson 7 tons hay at $12.

6. Paid J. C. King for shoeing horses, $2.50.

8. Sold 15 lb. butter at 21c ; 25 doz. eggs at 20c ; 3 doz. chickens at $3 per dozen.

10. Paid for groceries, $11.80.

12. Paid for taxes on farm and personal property, $60.

15. Sold 300 bu. wheat at 60c ; 400 bu. oats at 20c.

17. Received for pasture, $75.

20. Paid farm hands to date, $42.

22. Paid dentist's bill, $6.50.

27. Paid to J. R. Britton for repairs on wagon, $5.50.

September, 19—.

2. Sold 15 tons hay at $13.

2. Paid note of June 4 last, favor Jenkins' Sons Music Co., $120 ; interest on same, $1.80.

9. Sold 80 bu. potatoes at 50c; 30 bu. apples at 25c.

10. Bought school books for children, $8.20.

12. Bought dry goods for family use, $28.

18. Paid for threshing grain, 1200 bu. wheat at 4c, 1600 bu. oats at 3c.

21. Paid for insurance on farm buildings, $10.25.

26. Sold D. M. Wiley 140 bu. potatoes at 50c ; 60 bu. apples at 25c.

October, 19—.

4. Received for poultry sent to market, $7.

9. Paid Charles McBride for repairs on barn, $20.

10. Received of St. James Hotel on account, $20.

11. Sold 5 tons hay at $14.

14. Paid hired hands to date, $35.

15. Received of William Smith for pasture, $60.

19. Sold 2 hogs for $18 and one calf for $3.

21. Paid for groceries, $5.30.

October, 19—.

22. Sold T. F. Brisbon 13 tons hay at $12 a ton and received in part payment, $50.

24. Paid Jonas Clark to apply on account, $58.

25. Bought flour for family use, $15.

26. Sold 200 bu. wheat at 82c ; 250 bu. corn at 60c; 50 bu. potatoes at 50c ; 45 bu. apples at 45c.

31. Sold during the month poultry, butter, and eggs amounting to $25.40.

31. Balance the cash-book.

EXERCISE 12

A Teacher's Cash Account

September, 19—.

1. Amount on hand, $42.65.
5. Paid railroad fare, $2.40.
6. Paid drayage on trunk, 50c.
6. Bought stationery, 60c.
10. Bought pair shoes, $3.
18. Bought arithmetic, 80c.
24. Bought handkerchiefs, 50c.

October, 19—.

4. Paid board for 4 weeks, $16.
9. Drew salary for month ending October 3, $60.
10. Deposited in Savings Bank, $50. [Enter this as a memorandum ; that is, do not extend the amount into the money column, unless you are keeping an account with the Savings Bank aside from the Pass Book.]
18. Set aside for benevolences, $2.
23. Bought ticket for lecture course, $1.25.
31. Paid expenses at social, 60c.

November, 19—.

1. Paid board for 4 weeks, $16.
6. Drew salary for month ending October 31, $60.
7. Bought wearing apparel, $8.60.
7. Deposited in Savings Bank, $25.
15. Set aside for club dues, $2.
21. Paid expenses attending State Teachers' Association, $7.60.
29. Paid board for 4 weeks, $16.

December, 19—.

1. Received of J. W. Monroe 6 months' interest due to-day on loan, $9.20.
4. Drew salary for month ending November 28, $60.
5. Deposited in Savings Bank, $40.
20. Paid board for 3 weeks, $12.
20. Bought Christmas presents, $2.80.
21. Donated for Christmas present to janitor, 50c.
22. Renewed subscriptions to periodicals, $4.50.
23. Paid for postage stamps, 75c.
31. Balance the account. [As the amounts deposited in the Savings Bank were not extended into the money column, the balance here will include those amounts.]

January, 19—.

1. Bring the balance down.
2. Received interest on deposits in Savings Bank, 31c.
3. Paid holiday expenses, $5.90.
3. Paid for professional journal, $2.
15. Drew salary for month ending January 9, $60.
15. Deposited in Savings Bank, $40.
27. Bought clothing, $10.90.
31. Paid board for 4 weeks, $16.

February, 19—.

10. Paid for charity, $1.
12. Drew salary for month ending February 6, $60.
13. Deposited in Savings Bank, $30.
21. Paid expenses at County Teachers' Association, $1.90.
28. Paid board for 4 weeks, $16.
28. Paid for fountain pen, $2.

March, 19—.

5. Bought set drawing instruments, $1.75.
12. Drew salary for month ending March 6, $60.
13. Deposited in Savings Bank, $40.
18. Paid for stationery and stamps, $1.25.
28. Paid board for 4 weeks, $16.
31. Balance the account.

April, 19—.

1. Bring balance down.
4. Set aside for benevolences, $2.
9. Drew salary for month ending April 3, $60.
9. Deposited in Savings Bank, $40.
10. Paid expenses at social, 40c.
22. Bought book on Methods of Teaching, $1.25.
25. Paid board for 4 weeks, $16.

May, 19—.

2. Paid for pleasure trip, $2.
7. Drew salary for month ending May 1, $60.
8. Deposited in Savings Bank, $40.
16. Paid expenses at County Teachers' Association, $2.10.
20. Bought hat, $3.25.
23. Paid board for 4 weeks, $16.
29. Drew salary for month ending to-day, $60.
30. Paid board for one week, $4.
30. Paid railroad fare, $2.40 ; drayage on trunk, 50c.

June, 19—.

1. Received of J. W. Monroe to apply on loan, $50 ; and for six months' interest due to-day, $9.60.
10. Drew from Savings Bank, $75. [Memorandum.]
10. Loaned R. C. Bowser on note for one year at 6%, interest payable semi-annually, $100.
31. Balance the account.

SUGGESTIONS ABOUT KEEPING ACCOUNTS

To Teachers. 1. Have pupils write other cash accounts, making up imaginary transactions.

2. Have each pupil keep an account of his own cash transactions for at least four weeks, and hand it in for inspection as often as may be desired. Let the accounts be balanced at the end of each week, and the balance compared with the money on hand. The pupil should be asked to state whether these agree. Or this work may extend over a

longer period of time and the accounts be balanced once a month. For this purpose paper may be ruled, if no ruled paper is at hand. The following of this suggestion will be good practice for the pupil even though he may receive only

Cash Account

1916			Dr.	Cr.
Jan.	1	Opened a cash account this day with the amount on hand	20 45	
	3	Paid for coal		7 40
	5	Received for apples sold	5 20	
	8	Received for 40 bu. wheat @ 62¢	24 80	
	10	Bought pair shoes for John		1 25
	12	Paid subscription to Farm & Fireside for year ending Dec. 31, 1916		50
	15	Paid for shoeing horses		1 40
	20	Sold calf	7 00	
	31	Amount on hand (Red Ink)		46 90
			57 45	57 45

car fare from his parents or a few cents at a time for spending money.

To Pupils. Good habits formed early and persistently followed are of great value. One good habit is to keep an account of one's business transactions. It is recommended that the pupil begin this now. Probably cash is the only

item that there will be occasion to keep an account with during one's school days. This can be commenced as soon as Chapter I is completed. A book about four to five inches wide and six to eight inches long is quite convenient. A book with a single money column may be made to answer the purpose by using the column for dollars for the debits, and the column for cents for the credits. The cash account on page 5, if put in a book of this kind, would appear as given in the illustration below.

Cash Account

1916		Dr.	Cr.
Jan. 1	Opened a cash account this day with the amount on hand	20.45	
3	Paid for coal		7.40
5	Received for apples sold	5.20	
8	Received for 40 bu. wheat @62¢	24.80	
10	Bought pair shoes for Karl		1.25
12	Paid subscription to Farm & Fireside for year ending Dec. 31, 1916		.50
15	Paid for shoeing horses		1.40
20	Sold calf	7.00	
31	Amount on hand (Red Ink)		46.90
		57.45	57.45

CHAPTER II

PERSONAL ACCOUNTS

Personal accounts are accounts with individual persons, firms, and corporations. (For illustration, see opposite page.)

Rule for Debiting and Crediting Persons

Debit / *Credit* } *a person when he* { *receives* / *gives up* } *value on account.*

To buy or sell " on account " means that payment is to be made at some future time.

Exercises for Practice

Instruction. Write up the following transactions, and balance the accounts as indicated. The frequent balancing is for practice. In making records of actual transactions, the accounts need be balanced only at such times as may seem advisable.

EXERCISE 1

Pupil's Account with Samuel Wilson

August, 19—.

3. Bought of him 8 yd. calico at 6½c ; 5 yd. gingham at 12½c ; 2 spools thread at 5c.

6. Bought of him 20 lb. sugar at 8c ; 2 lb. cheese at 20c ; 3 lb. dried beef at 40c.

10. Sold him 5 lb. butter at 23c ; 2 bu. potatoes at 35c.

20. Sold him 3 bu. potatoes at 40c ; 4 bu. apples at 50c.

25. Bought of him 1 lb. coffee, 25c ; 2 lb. rice at 8½c.

27. Sold him 8 chickens at 20c.

31. Balance the account.

John Ballard

1916				Dr.	Cr.
July	1	Bought of him			
		16 lb. Sugar @ 6¼¢	1.00		
		2 lb. Coffee @ 25¢	.50		
		1 sack Flour	1.20		270
	8	Bought 3 doz. Fruit Jars, quart size, @ 60¢			180
	10	Paid him cash		400	
	13	Bought 10 lb. Sugar @ 6¼¢	.63		
		½ lb. Tea @ .50¢	.25		
		¼ lb. Pepper @ 60¢	.15		103
	16	Sold him 15 lb. Butter @ 20¢		300	
	31	Balance due from him			147
				700	700
Aug.	1	Balance due from him		147	
	5	Sold him 8 Chickens @ 25¢		200	
	9	Bought 20 lb. Sugar @ 6¼¢			125
	15	Worked for him 1½ days with team @ $2.50		375	
	20	Received of him cash for balance due			597
				722	722
Sept.	5	Sold him 12 lb. Butter @ 22¢		264	
	9	Bought 1 sack Flour	1.20		
		16 lb. Sugar @ 6¼¢	1.00		
		1 lb. Coffee	.25		
		½ lb. Tea @ 50¢	.25		270
	17	Bought 2 doz. Fruit Jars, qt. size @ 60¢			120
	25	Sold him 1½ bu. Potatoes @ 60¢		90	
	30	Balance due him		36	
				390	390

September, 19—.

1. Bring down the balance.
4. Sold him 3 bu. apples at 40c ; 2½ bu. potatoes at 50c.
7. Bought of him 1 gal. syrup, 40c ; 15 lb. sugar at 8c ; 1 sack flour, $1.80.
15. Bought of him 2 yd. ribbon at 7c ; 1 pair slippers, $1.25.
21. Sold him 14 doz. eggs at 19c.
24. Sold him 3 lb. butter at 24c ; 2 bu. potatoes at 50c ; 3 bu. apples at 40c.
27. Bought of him pair shoes, $2.50 ; hat, $1.75.
28. The account is settled by one paying the other cash. Make the proper entry. Foot and rule the account.

EXERCISE 2

James Hopkins is a farmer and William Braley a blacksmith. Think of yourself as Mr. Hopkins and write up, from the following memoranda, his account with William Braley:

April, 19—.

4. William Braley made repairs on wagon, $2.75.
7. Shoeing Ned and Doll, $2.40.
10. Sold him 2 lb. butter at 20c ; 1½ doz. eggs at 15c.
14. Bought pair trace chains, 90c.
18. Bought 8 new teeth for harrow, $1.
18. Sold him 3 bu. potatoes at 80c.
25. Paid him cash, $3.50.
30. Balance the account and re-open it on May 1.

May, 19—.

1. Repairs on plow, $1.25.
5. Worked for him one-half day with team, grading about shop, at $2.50.
8. Hooping barrel, $1.50.
15. Sharpening 2 plow shares at 25c.
21. Sold him 2 lb. butter at 20c.
25. Sharpening cultivator shovels, 80c.
25. Paid him cash for balance due. After making this entry, foot and rule the account.

EXERCISE 3

Using the memoranda of Exercise 2, think of yourself as Mr. Braley and write up his account with James Hopkins. Make the necessary changes in the wording. For April 7 you may say, "Shoeing team horses," or "Shoeing two horses."

EXERCISE 4

John Cover and Hiram Eastman are neighbors and help each other at times. From the following data write up each one's account with the other. Consider a day's work with a team worth $2.50 and a day's work of a person alone worth $1.25, except for harvesting and threshing, which consider as worth $1.50 a day.

Endeavor to use a good form of wording in writing the record.

June, 19—.

3. Carver helped Eastman 1½ days with team, scraping out pond.
7. Eastman helped Carver 2 days, building fence.
10. Eastman sold Carver a 2-year-old steer, $23.
14. Carver helped Eastman 2 days with team, cultivating corn.
21. Carver helped Eastman 5½ days with team, cutting wheat.
25. Eastman helped Carver 3 days with team, cutting wheat.
28. Carver sold Eastman 2 hogs, the two weighing 435 lb., at 5c.

July, 19—.

8. Carver helped Eastman 2 days with team, stacking wheat.
12. Eastman helped Carver 2½ days with team, stacking wheat.
15. Eastman helped Carver 1 day, digging potatoes.

August, 19—.

15. Carver helped Eastman 1½ days, threshing wheat.
22. Eastman helped Carver 2 days, threshing wheat.
23. Eastman sold Carver a calf for $6.
26. The one owing the other paid the balance in cash. After making the entry, foot and rule the account.

EXERCISE 5

PUPIL'S ACCOUNT WITH CHARLES BALDWIN

October, 19—.

1. Sold him 10 lb. maple sugar at 15c.
3. Bought of him 3 bu. wheat at 80c.
5. Worked for him 3 days at $2.
8. Sold him 4 bu. apples at 50c.
10. Bought of him one cow, $35.
12. Sold him 2 bu. oats at 45c.
13. Sold him 8 chickens at 30c ; 2 calves at $6.
14. Bought 3 gal. syrup at 75c.
20. Sold him 2 bu. corn at 65c.
21. Received of him, cash $5.00.
25. Bought 18 gal. molasses at 25c.
27. Bought of him 2 gal. syrup at 75c.
26. Sold him team of horses, $200.
29. Received cash for balance due.
29. Foot and rule the account.

EXERCISE 6

PUPIL'S ACCOUNT WITH J. H. STEWART

July, 19—.

1. Sold him 10 bu. apples at 25c.
2. Bought of him 20 lb. sugar at 5c ; 5 cans tomatoes at 10c.
3. Sold him 6 doz. eggs at 15c.
5. Sold him 3 crates blackberries at 90c.
8. Sold him 2 bu. peaches at 90c.
18. Bought sundry items of merchandise per bill, $10.
19. Paid him cash on account, $3.10.
20. Sold him 2 doz. chickens at 20c each.
20. Bought 30 lb. sugar at 5c.
21. Bought 3 lb. tea at 75c ; 5 lb. coffee at 25c.
23. Sold him 5 bu. apples at 20c ; 10 bu. potatoes at 80c.
27. Bought of him 15 lb. sugar at 5c.
28. Bought sundry items of merchandise, $3.60.
28. Received of him cash, $1.25.
31. Determine the balance due, and balance the account. Which one owes the balance ?

EXERCISE 7

PUPIL'S ACCOUNT WITH W. S. DUFF

May, 19—.

23. Delivered to him 2 crates strawberries at $2.40.
25. Delivered to him 3 crates strawberries at $2.40.
27. Delivered to him 3 crates strawberries at $2.25.
30. Delivered to him 4 crates strawberries at $2.40.
30. Received of him cash, $25.

June, 19—.

1. Delivered to him 2 crates strawberries at $2.25 ; 10 lb. lettuce at 15c ; 20 bunches radishes at 2½c.
3. Delivered to him 3 crates strawberries at $2.20 ; 10 lb. lettuce at 15c ; 15 bunches radishes at 2½c ; 10 bunches onions at 2½c.
3. Bought of him 10 lb. sugar at 7c ; 2 lb. coffee at 30c.
6. Delivered to him 2 crates strawberries at $2.30 ; 20 lb. lettuce at 15c ; 25 bunches radishes at 2½c ; 20 bunches onions at 2½c ; 10 bunches asparagus at 4c.
6. Received of him cash, $25.
8. Delivered to him 10 lb. lettuce at 15c ; 12 bunches radishes at 2½c ; 20 bunches asparagus at 4c.
8. Allowed him credit for faulty strawberries delivered the 6th, 75c.
10. Delivered to him 2 crates strawberries at $2 ; 10 lb. lettuce at 15c ; 10 bunches radishes at 2½c ; 10 bunches onions at 2½c ; 10 bunches asparagus at 4c.
10. Bought of him 1 lb. tea, 60c ; 2 lb. cheese at 20c ; 1 gal. kerosene, 10c.
13. Delivered to him 2 crates strawberries at $1.90 ; 20 lb. lettuce at 15c ; 25 bunches radishes at 2½c ; 20 bunches onions at 2½c; 15 bunches asparagus at 4c.
13. Received of him cash, $15.
16. Delivered to him 10 lb. lettuce at 15c ; 10 bunches onions at 2½c ; 15 bunches asparagus at 4c.
20. Delivered to him 20 bunches radishes at 2½c ; 20 bunches onions at 2½c ; 20 bunches asparagus at 4c.
20. Received of him cash, $5.
23. Delivered to him 15 lb. lettuce at 15c ; 10 bunches radishes at 2½c ; 20 bunches asparagus at 4c.

June, 19—.

27. Delivered to him 10 lb. lettuce at 15c ; 15 bunches radishes at 2½c ; 12 bunches onions at 2½c ; 10 bunches asparagus at 4c.

27. Received of him cash, $5.

30. Delivered to him 10 lb. lettuce at 15c ; 8 bunches radishes at 2½c ; 10 bunches onions at 2½c.

30. Balance the account.

July, 19—.

1. Bring down the balance.

4. Delivered to him 10 watermelons at 15c ; 8 lb. lettuce at 15c ; 10 bunches onions at 2½c.

4. Received of him cash, $5.

7. Delivered to him 10 watermelons at 20c ; 1 bu. potatoes, 50c ; 2 doz. ears corn at 6c per dozen.

7. Bought of him 15 lb. sugar at 7c.

11. Delivered to him 15 watermelons at 15c ; 2 bu. potatoes at 50c ; 3 doz. ears corn at 6c per dozen ; 2 doz. cantaloupes at 35c per dozen.

14. Delivered to him 12 watermelons at 15c ; 20 cantaloupes at 3c ; 2 crates blackberries at $2.40 ; 2 doz. ears corn at 8c per dozen.

18. Delivered to him 3 bu. potatoes at 50c ; 10 qt. beans at 8c ; 4 doz. ears corn at 8c per dozen.

18. Bought of him 20 lb. sugar at 7c ; 2 lb. coffee at 30c ; 2 doz. lemons at 20c.

21. Delivered to him 30 cantaloupes at 3c ; 3 crates blackberries at $2.40 ; 15 qt. beans at 8c.

21. Received of him cash, $20.

25. Delivered to him 10 watermelons at 12c ; 3 doz. ears corn at 8c per dozen ; 20 cantaloupes at 2c ; 2 crates of blackberries at $2.25.

28. Delivered to him 1 crate blackberries, $2.25 ; 4 doz. ears corn at 6c per dozen ; 30 cantaloupes at 2½c ; 12 qt. beans at 8c.

31. Balance the account.

August, 19—.

1. Bring down the balance.

1. Delivered to him 2 crates blackberries at $2.50 ; 15 watermelons at 12½c ; 5 bu. potatoes at 40c ; 3 doz. ears corn at 5c per dozen.

1. Bought of him 1 lb. tea, 50c ; 2 lb. cheese at 20c ; 1 doz. lemons, 25c.

5. Delivered to him 2 bu. peaches at $1.20 ; 25 lb. tomatoes at 1½c ; 12 qt. beans at 8c.

August, 19—.

5. Received of him cash, $25.

8. Delivered to him 40 lb. tomatoes at 2c ; 20 qt. beans at 7½c ; 2 bu. peaches at $1.25 ; 1 bu. apples, 90c.

15. Delivered to him 30 qt. beans at 7½c ; 50 lb. tomatoes at 2c ; 1 bu. peaches, $1.20.

15. Bought of him 10 lb. sugar at 7c ; 1 gal. kerosene, 11c ; 2 doz. fruit jars at $1.25.

22. Delivered to him 30 lb. tomatoes at 1½c ; 3 lb. butter at 22c ; 2 bu. apples at 65c.

29. Delivered to him 25 lb. tomatoes at 1½c ; 3 bu. apples at 70c ; 2 bu. potatoes at 50c ; 12 qt. beans at 8c.

29. Received of him cash to balance account.

29. Foot and rule the account.

SUGGESTION. Originate the items and write a few accounts with persons.

CHAPTER III

PROPERTY ACCOUNTS

Property as here used includes everything of value, such as land, houses, crops, live-stock, produce, implements, machinery, and merchandise. These items do not have a fixed value. Hence they give rise to *losses* and *profits*. Property includes also those things that represent value, such as money checks, bank drafts, money orders, notes, stocks, and bonds. A part of these, as money, checks, bank drafts, and money orders, are grouped under cash and were considered in Chapter I. These items, as well as notes which will be considered in Chapter IV, have a fixed value. Thus we see there are two kinds of property: (1) That which may change in value; and (2) that which has a fixed value. In this chapter we shall consider those items of property that may change in value. *Property accounts* are accounts in which are kept the records of transactions with property.

Losses and Profits. There are two methods of finding the loss or the profit on things bought and sold when a part remains unsold. One plan is to deduct the value of that unsold from the total cost. This leaves the cost of the part sold. Then the difference between this and the selling price gives the loss or the profit on the part sold. This method is sometimes used in making statements. It is illustrated by the example on the next page.

EXAMPLE

Bought 40 bu. of wheat at 50 cents and sold 30 bu. at 60 cents. What is the profit on the amount sold ?

ILLUSTRATION OF METHOD

Cost of 40 *bu. wheat at* 50c	$20.00
Deduct cost of 10 *bu. unsold at* 50c	5.00
Cost of 30 *bu. sold*	15.00
Selling price of 30 *bu. at* 60c	18.00
Profit on 30 *bu. sold*	$ 3.00

Of course, the profit in this simple case may be found by an easier method. But we are illustrating a satisfactory method for complicated cases.

The same result may be found also by adding the cost value of that unsold to the amount sold and then taking the difference between this sum and the total cost. This is the method used in an account when it is desired to find the loss or the profit. It is illustrated here, and further in the account with twenty head of hogs on the next page.

ILLUSTRATION OF SECOND METHOD

Selling price of 30 *bu. wheat at* 60c	$18.00
Add cost of 10 *bu. unsold at* 50c	5.00
Total	23.00
Deduct cost of 40 *bu. (total bought) at* 50c	20.00
Profit on 30 *bu. sold*	$ 3.00

RULE FOR DEBITING AND CREDITING PROPERTY

Debit / *Credit* } *property when it* { *costs value.* / *produces value.*

Illustration of Property Account

Account with Twenty Head of Hogs

1916			Dr.	Cr.
July	10	Bought 20 head hogs	75 00	
	15	Bought 50 bu. corn @ 30¢	15 00	
	25	Made repairs on lot	2 00	
Aug.	12	Bought 20 bu. chop @ 40¢	8 00	
	20	Sold 3 hogs weighing 527 lb. @ 4¢		21 08
	25	Bought 20 bu. corn @ 32¢	6 40	
Sept.	8	Sold 8 hogs weighing 1490 lb. @ 4½¢		67 05
	15	Sold 2 hogs weighing 409 lb. @ 4½¢		18 41
	20	Killed one hog for home use		5 98
	25	Sold 4 hogs weighing 815 lb. @ 5¢		40 75
	25	Fed 25 bu. corn from crib @ 30¢	7 50	
	25	Fed green corn (estimated)	5 00	
	25	Caring for hogs	5 00	
	25	Estimated value of 2 hogs unsold including their portion of feed (Red Ink)		12 00
	25	Profit on 17 hogs sold (Red Ink)	41 37	
			165 27	165 27
Sept.	25	Estimated value of 2 hogs	12 00	

Remark. If the account with the two hogs was to be continued, the estimated value would be brought below the rulings as illustrated.

EXERCISE 1

Account with a Refreshment Stand

Thomas had a refreshment stand on July 4, at which he sold peanuts, candy, pop-corn, and lemonade. Make a record of his expenses and sales in the form of an account, and determine his profit.

Expenses:

1 bu. peanuts, $1.25.
Roasting peanuts, 25c.
8 lb. candy at 20c a pound.
16 boxes for candy, 20c.
1 pk. pop-corn, 30c.
1 cake maple sugar, 20c.
3 doz. lemons at 30c a dozen.
8 lb. sugar at 7c a pound.
Ice, 25c.

Sales:

He sold all the peanuts at 5c a pint.

He put up the candy in ½-pound boxes and sold it all at 15c a box.

From the pop-corn and maple sugar he made 40 pop-corn balls and sold them at 2 balls for 5c.

With the lemons, sugar, and ice he made 70 glasses of lemonade and sold it at 5c a glass.

EXERCISE 2

Account with a Printing Press

Harry's father gave him a printing press and outfit and 75 cents for material. The paper house gave Harry the prices of plain material. He arranged these and the prices he would charge as follows:

Material	Cost	Selling Price
Cards	25 cents per 100	10 cents per dozen
Envelopes	15 cents per 100	30 cents per 100
Blank bill-heads	20 cents per 100	35 cents per 100
Letter paper	25 cents per 100	40 cents per 100

December, 19—.

26. Bought 200 cards and 100 envelopes.

January, 19—.

2. Sold 5 doz. cards.
3. Sold 100 envelopes.
5. Bought 200 envelopes ; 200 bill-heads.
7. Sold 100 envelopes.
10. Sold 100 bill-heads.
12. Sold 2 doz. cards.
14. Sold 4 doz. cards.
17. Bought 3 sheets cardboard at 5c a sheet, from which were cut 9 doz. good cards. Sold these at 5c a dozen. (Make two entries.)
19. Sold 100 envelopes.
20. Bought 300 envelopes ; 200 sheets letter paper.
23. Sold 5 doz. cards.
24. Bought 200 cards.
26. Sold 4 doz. cards ; 100 sheets letter paper ; 100 envelopes.
28. Sold 5 doz. cards.
31. Determine the amount of material on hand and find its value at the cost price, being careful not to include the cards sold from the special purchase. Enter this in the account, using for explanation, " Value of material on hand." Then determine the profit for the month, and foot and rule the account.

REMARK. If the record was to be continued, the " Value of material on hand " would be entered below the rulings on February 1.

EXERCISE 3

ACCOUNT WITH HOTBED PLANTS

March, 19—.

20. Bought seed, 70c.

May, 19—.

10. Bought 1 pk. sweet potatoes, 50c.
18. Sold 7 doz. tomato plants at 15c a dozen.
20. Sold 5 doz. cabbage plants at 20c a dozen.
25. Sold 4 doz. tomato plants at 15c a dozen.

June, 19—.

3. Sold 6 doz. sweet potato plants at 25c a dozen.

12. Sold 8 doz. cabbage plants at 15c a dozen; 3 doz. tomato plants at 12½c a dozen.

15. Sold 5 doz. sweet potato plants at 20c a dozen; 2 doz. cabbage plants at 15c a dozen.

16. Sold 2 doz. sweet potato plants at 20c a dozen; 3 doz. tomato plants at 12½c a dozen.

16. Determine profit, foot and rule the account.

EXERCISE 4

Account of Experiment with Leaming Corn

NOTE. The data for this exercise and the next one were taken from a report of the Boys' Experiment Club, Winnebago County, Ill.

May, 19—.

8. Hauling one load of manure, half hour, at 30c an hour.
10. Plowing, half hour, at 30c.
10. Dragging, half hour, at 30c.
16. Planting corn, 20 minutes, at 30c an hour.
23. Cultivating, half hour, at 30c.
31. Hoeing, 20 minutes, at 30c an hour.

June, 19—.

16. Cultivating, half hour, at 30c.
20. Hoeing, 20 minutes, at 30c an hour.

July, 19—.

10. Hoeing, 20 minutes, at 30c an hour.
20. Hoeing, 20 minutes, at 30c an hour.

November, 19—.

18. Husking, 2½ hours, at 8c.
18. Value of corn, $3.75.
18. Find profit, foot and rule the account.

EXERCISE 5

ACCOUNT OF EXPERIMENT WITH LEAMING CORN

NOTE. The pupil may supply dates for the following items:

Applying fertilizer, 45 minutes, at 15c an hour.
Plowing, 30 minutes, at 15c an hour.
Harrowing, marking, and planting, 1½ hours, at 20c an hour.
Hoeing and weeding, 1 hour 40 minutes, at 10c an hour.
Cultivating, 1 hour, 15c.
Gathering and marketing, 1 hour 15 minutes, at 15c an hour.
Sold 142 lb. corn at 50c per cwt.
Find loss, foot and rule the account.

EXERCISE 6

AN ACCOUNT WITH A FLOCK OF CHICKENS

March, 19—.

1. Bought incubator and supplies, $10.
3. Bought 9 doz. eggs at 15c.
4. Put eggs in incubator. (This is a memorandum entry and has no amount for the money column.)
27. 90 chickens hatched.
27. Bought meal for chickens, 50c.

April, 19—.

2. Bought coops for chickens, $2.
10. Bought meal for chickens, $1.20.
21. 12 chickens died.

May, 19—.

10. Sold 10 chickens at 30c each.
15. Bought corn, $1.
29. Sold 12 chickens at 30c.

June, 19—.

3. Sold 3 doz. chickens to grocer at 25c each.
5. Sold 12 chickens at 25c.
5. Bought corn, 50c.

June, 19—.

10. Sold 8 chickens at 30c.

10. Determine the profit, valuing the incubator and coops on hand at $8. Foot and rule the account.

EXERCISE 7

ACCOUNT WITH AN ORCHARD FOR SEASON

March, 19—.

1. Paid for pruning old orchard, 10 days at $1.50 per day.
4. Bought 50 peach trees at 50c.
20. Bought 100 apple trees at 25c.
30. Paid for 10 days' labor at $1.25.

April, 19—.

5. Bought 30 plum trees at 20c.
5. Paid for 4 days' labor at $1.75.
8. Bought spraying ingredients, $3.
26. Paid for pruning young trees, $12.50.

May, 19—.

30. Sold cuttings for grafts, 90c.

June, 19—.

5. Sold 5 bu. apples at $1.
26. Sold 20 bu. apples at 75c.

July, 19—.

20. Sold 7 bu. plums at 80c.
21. Sold 16 bu. apples at 80c.
24. Sold 10 bu. plums at 70c.

August, 19—.

20. Paid for hauling, $7.
30. Sold 50 baskets of peaches at 25c.

September, 19—.

1. Sold 5 bu. peaches at 80c.
8. Sold 12 bu. peaches at 90c.

October, 19—.

19. Sold 30 bu. apples at 75c.
30. Sold 60 bu. apples at 90c.

October, 19—.

30. Paid for hauling, $3.
30. Balance the account, causing it to show the net returns.

If the proprietor spent ten days of his own time on the orchard during the season, how much, above the total outlay, did he receive per day for his labor? Find his wages per day, if the cost of the new trees, together with $8 of the undesignated labor, is deducted from the expense.

EXERCISE 8

ACCOUNT WITH DAIRY COW "MAUDE"

April, 19—.

1. Purchased cow and calf, $50.
20. Paid for dehorning calf, 50c.
30. Cost of feed for month, $5.
30. Received during month for milk sold, $8.

May, 19—.

15. Paid veterinarian for attending calf, $1.50.
31. Value of feed for month, $5.
31. Received during month for milk sold, $10.

June, 19—.

20. Sold calf for $8.
30. Feed and pasture for month, $4.
30. Sold milk during month, $12.

July, 19—.

31. Feed and pasture for month, $4.
31. Sold milk during month, $13.
31. Cost of care for four months, $10.
31. Valuing the cow at $45, determine the profit for four months, and balance the account.

EXERCISE 9

ACCOUNT WITH FIELD OF WHEAT — 40 ACRES (1916 CROP)

August, 1915.

30. Ten days' plowing at $3.

September, 1915.

4. Hauling and spreading manure, 4 days at $3.
8. Harrowing, 4 days at $3.

September, 1915.

20. Drilling, 3 days at $3.
20. 50 bu. seed at 90c.

July, 1916.

1. Bought twine for binder, $9.50.
7. Paid for help, harvesting, $13.50.
8. Use of team and man, harvesting, 3½ days at $3.
20. Paid for help, stacking, $13.
20. Use of team in stacking, $6.

August, 1916.

25. Bought coal for threshing, $3.
28. Paid for threshing 960 bu. (machine measure) at 4c.
28. Paid for help, threshing, $12.

September, 1916.

15. Sold 600 bu. at 95c.
15. Hauling to market, $7.50.

October, 1916.

20. Sold 380 bu. at $1.05.
20. Hauling to market, $4.50.
20. Value of straw, $20.
20. Determine the profit, and balance the account.

REMARK. If it is desired to obtain a closer estimate of the profit, other items should be considered; as, the rent of the land (or interest on its estimated value), use of tools, and cost of boarding help.

QUESTIONS. 1. What is the profit per acre as shown by the account?

2. If the land is valued at $90 per acre, the profit is what per cent on the value of the land?

3. If the tax rate is ¾ % on the value of the land and the general upkeep costs 50 cents an acre, what is the per cent of profit on the value of the land after deducting these items?

EXERCISE 10

ACCOUNT WITH FIELD OF CORN — 35 ACRES

October, 19—.
23. Plowing with 4-horse gang, 8½ days at $5.50.

April, 19—.
29. Disking (4 horses), 9 days at $5.50.

May, 19—.
4. Harrowing (2 horses), 2½ days at $3.50.
5. Planting with planter, 3 days at $3.50.
5. Seed, 5½ bu. at $3.
14. Harrowing after planting, 3½ days at $3.50.
30. Cultivating (first time), 6 days at $3.50.

June, 19—.
6. Cultivating (second time), 5½ days at $3.50.
18. Cultivating (third time), 5 days at $3.50.

July, 19—.
5. Cultivating (fourth time), 5½ days at $3.50.

October, 19—
7. Picking seed corn, 6 days at $1.25.

November, 19—.
22. Husking (from standing stalks), 30½ days at $3.50.
22. Manure charge, $50 ; use of tools, $20 ; taxes, $15 ; interest on value of land (or rent), $140.

December, 19—.
15. Sold 800 bu. at 55c.
31. Fed to stock 500 bu. at 50c.
31. Value stalks at $25, and 900 bu. on hand at 50c. Determine profit, and balance the account.

Find the following: income per acre ; cost per acre ; profit per acre; income per bushel ; cost per bushel ; profit per bushel; yield per acre.

NOTE. — The income per acre is found by dividing the total credits (or returns) by the number of acres; the cost per acre is found by dividing the total debits (or expenses) by the number of acres; the profit per acre is the difference of these two amounts. The corresponding results per bushel are found in a similar manner.

EXERCISE 11

ACCOUNT WITH AN ICE CREAM STAND

June, 19—.

1. Cost of erecting stand, $35 ; cost of license, $1.50.
2. Bought dishes and spoons, $5.
3. Bought covering for counter, $1.
4. Bought chairs, $4 ; glasses, $1.20.
8. Bought 10 gal. ice cream at $1.00 ; 1 doz. lemons, 30c ; 10 lb. sugar at 7c ; straws, 50c ; lemon shaker and squeezer, $1.
9. Received for one day's sales, $5.
10. Received for day's sales, $4.50.
11. Bought 5 gal. cream at $1.00.
12. Received for day's sales, $7.
13. Received for day's sales, $5.
15. Paid for ice for two weeks, $ 1.80.
18. Bought 10 gal. cream at $1.00.
19. Received for day's sales, $10.
20. Sold stand and supplies for $65.
21. Determine the loss or the profit, and balance the account.

EXERCISE 12

ACCOUNT WITH SODA POP STAND

August, 19—.

3. Cost of lumber for stand, $3 ; bunting for decorations, 50c ; license, $1.50 ; covering for counter, $1.
3. Bought tub for ice, 45c.
4. Bought 1 doz. lemons, 40c ; 5 lb. sugar at 6c.
4. Bought 6 glasses at 5c.
5. Bought 2 cases pop at 60c.
6. Received for one day's sales, $2.35.
6. Bought 3 cases pop at 60c.
7. Received for day's sales, $3.
8. Bought 2 cases pop at 60c.
8. Received for day's sales, $3.10.
10. Bought 2 cases pop at 60c.
10. Received for day's sales, $2.45.
11. Paid for ice for one week, 60c.
11. Bought 2 cases pop at 60c.

August, 19—.

11. Received for day's sales, $2.30.
12. Bought 2 cases pop at 60c.
12. Received for day's sales, $2.25.
12. Bought sugar and lemons, 65c.
13. Bought 1 case pop, 60c.
13. Received for day's sales, $1.15.
14. Received for day's sales, 25c.
15. Sold stand to Ralph Shaw for $10.
15. Determine the profit, and balance the account.

EXERCISE 13

Account with a Café

January, 19—.

1. Paid rent for one-half month, $10.
1. Paid for sign board, $5.
1. Bought tables, $21 ; chairs, $6.
1. Bought coffee, $2 ; beans, $5 ; sugar, $3 ; oysters, $5 ; milk, $1.
2. Bought coal, $3.
2. Bought 10 gal. ice cream at 60c.
2. Bought dishes and spoons, $5.
2. Receipts for the day's business, $5.
3. Receipts for day's business, $1.60.
4. Receipts for day's business, $7.
5. Paid for milk, $1.
6. Bought bread, $1 ; pies, $1.
6. Receipts for day's business, $2.20.
8. Receipts for day's business, $2.
9. Bought pies, $2 ; bread, $1.
9. Receipts for day's business, $4.
10. Receipts for day's business, $6.
11. Paid for milk, $1 ; oysters, $2.
11. Receipts for day's business, $5.
12. Bought crackers, $2.
12. Receipts for day's business, $6.50.
13. Receipts for day's business, $5.75.
15. Receipts for day's business, $6.25.
15. Determine the loss or the profit, valuing the equipment and supplies on hand at $30, and balance the account.

EXERCISE 14

Account with a Bird Home

March, 19—.

1. Purchased 50 birds, $30 ; 3 sacks seed at $3.
3. Paid rent for March, $16 ; bought cages, $25.
8. Sold one canary, singer, $1.25 ; 3 parrots at $5 ; 2 redbirds at $4.
15. Bought 3 lb. sulphur at 10c.
18. Bought 20 pigeons at 50c.
20. Paid water rent for 3 mos. to date, $3.
29. Paid for coal, $4.

April, 19—.

1. Paid rent for month, $16.
2. Sold 16 quail at 65c.
3. Bought sack seed, $3
8. Sold 2 canaries at $1.25 ; 4 blackbirds at $1 ; 6 mocking birds at $6 ; 8 parrots at $10.
10. Bought 12 assorted birds, nestlings, at 5c.
21. Sold 14 pigeons at $1.50.

May, 19—.

1. Paid rent for May, $16.
6. Bought seed, $1.50.
8. Bought sulphur, 20c.
15. Paid for coal, $3.
24. Sold 6 pigeons at 15c.
31. Determine the profit, valuing birds and supplies remaining at $25, and balance the account.

EXERCISE 15

Account with Shop Work

May, 19—.

1. Bought 6 ft. cypress, 30c ; 9 ft. oak, 63c.
2. Bought oak dye, 25c.
4. Sold towel roller, 25c.
6. Sold taboret with mortise, $1.
5. Sold small cypress sled, 25c.
10. Paid for having runners put on sleds, 50c.
10. Sold two oak sleds for bobsled, $2.50.
12. Bought screws, 15c ; nails, 25c.

May, 19—.

13. Bought auger bit, 25c.
16. Bought rough oak, 12 ft. by 5 in., 20c.
18. Sold office box, $3.
20. Sold taboret with screws, 75c.
23. Bought nail set, 10c.
25. Sold child's ironing board, 35c.
27. Bought lumber, $1.
29. Sold oak foot stool, $1.25.
31. Determine the profit, and balance the account.

EXERCISE 16

ACCOUNT WITH SEWING PARLOR

January, 19—.

1. Paid for pattern, chalk, and paper, $1.
4. Received for making a suit, $10.
5. Paid for repairs on machine, $4.
6. Received for making an evening dress, $8.
8. Received for making a silk waist, $3.
8. Paid for lining, padding, basting, cotton, and silk, $6.
9. Received for making coat and suit, $25.
11. Received for making kimono, $3.
12. Paid for silk thread and lining, $5.
13. Paid for buttons and pleating material, $4.
15. Received for making suit, $10.
16. Received for making an evening dress, $10.
17. Paid for help, $20.
19. Received for making skirt, $4.
20. Received for making suit and waist, $13.
22. Paid for chalk and paper, $1.
25. Received for making suit, coat, and waist, $30.
28. Received for making skirt, $3.
31. Determine the loss or the profit, foot and rule the account.

EXERCISE 17

ACCOUNT WITH ART SHOP

April, 19—.

1. Bought a Revelation china kiln, $125.
1. Paid rent for one month, $10.

April, 19—.

2. Bought stilts and oil for the kiln, $2.
4. Received for firing china, $4.
4. Bought white china, $50.
5. Bought paint and Hasburg's gold, $25.
6. Sold decorated china, $75.
8. Bought turpentine and medium oil, $1.
9. Bought hydrofluoric acid and paint, 75c.
10. Bought a gauge and plate divider, $1.
11. Received for firing, $5.
12. Sold decorated china, $50.
13. Sold decorated china, $75.
15. Paid for oil, $5.
15. Bought paint table, palette, and brushes, $25.
16. Bought oil bottles and alcohol, $10.
18. Received for painting lessons, $10.
19. Received for firing, $5.
25. Received for painting lessons, $12.
30. Value of equipment and material on hand, $140. Determine the profit, and balance the account.

EXERCISE 18

Account with an Automobile

May, 19—.

1. Contracted and paid for automobile, $815.
5. Car delivered. Bought chains and one extra tire, $33.10.
5. Bought 15 gal. gasoline and 3 qt. oil for car, $3.45.
8. Bought extra tools, including tire gauge, $16.85.
10. Received for taking box to the depot, $1.50.
15. Paid for gasoline and oil, $2.13.
17. Received for hauling four passengers to De Soto, $7.
20. Received for delivery of flowers for florist, $10.
22. Bought one blowout shoe, 75c.
22. Received for taking four passengers over boulevards, $5.
23. Bought a Klaxon horn, $6.
24. Bought 10 qt. lubricating oil, $1.35.
25. Received for hauling in another car, $4.
26. Received for livery, $3.
27. Bought two new inner tubes, $34 \times 3\frac{1}{2}$, $4.65.

May, 19—.

29. Received for taking party to train, $2.

29. Bought 15 gal. gasoline, $3.00.

31. Value the car and accessories at $825. Then find the cost of the upkeep over the returns. Balance and rule the account.

SUGGESTION. Write other accounts with items showing losses or profits. Select accounts with which you are familiar. Use the following by way of suggestion: truck patch, paper route, flower stand, flock of chickens, merchandise, herd of cattle, building house (you being the owner).

CHAPTER IV

PROMISSORY NOTES

A *promissory note* is a written promise of one person to pay to another, or to his order, a specified sum of money at a designated time or a time certain to occur.

Parties to a Note. There are two original parties to a note, (1) the person who signs it, called the *maker*, and (2) the person to whom the money is promised to be paid, called the *payee*. In the note illustrated on page 52 Hiram Brown is the maker and John Wagner is the payee.

Negotiability. The words *negotiable* and *non-negotiable* as used in law have a technical meaning, which should be distinguished from the ordinary meaning of the words. A *negotiable note* (or check, draft, etc.) is one which, if it passes into the possession of a third party before maturity, gives him an absolute claim against the maker; that is, the maker cannot set up any claims against the note in settlement, even though he might have done so, had it remained in possession of the original payee. It is necessary, also, that this third party secure the note for a consideration and, at the time of securing it, he must not know of any claims that the maker may have against the payee.

A *non-negotiable note*, on the other hand, is one which does not give the person to whom it may be transferred an absolute claim against the maker. That is, in settlement the maker may set up any claims that would have been valid, had the note remained in possession of the original payee. To illustrate, suppose that A gives B his note for

$300 and that B transfers it to C; and suppose also that before the note becomes due A has a claim of $100 against B. If the note is of the negotiable kind and C is in legal possession of it, in settlement he can collect the entire $300 from A. But if it is of the non-negotiable kind, C can collect only the difference between the note and A's claim against B, or $200.

The words indicating the quality of negotiability are *order* and *bearer*, or words of like meaning. If one of these words occurs in the note, and it has been properly transferred, it is negotiable. If it is made payable to a certain person, and without the use of one of these words, it is non-negotiable. A non-negotiable note is really only a contract and is governed by the law relating to contracts. Each of the notes illustrated on this and the next two pages is negotiable, and to be transferred would require an indorsement. If the phrase *or order* were omitted from them, they would be non-negotiable.

Form of a Note. A note may be entirely in writing as is shown in the illustration below. The more usual plan, however, is to use printed forms as is shown in the illustrations on pages 53 and 54.

INDIVIDUAL NOTE

$156.00 Columbus, Ohio, August 6, 19---

Ninety days after date, for value received, I promise to pay John Wagner, or order, One hundred fifty-six and $\frac{00}{100}$ Dollars, with interest from date at the rate of six per cent per annum.

Hiram Brown.

PARTNERSHIP NOTE

$ 268.50 No._____

Detroit, Mich, March 20, 19___ Due_____

_____Sixty days_____after date, for value received,

we promise to pay_____W. H. Crane_____or order,

at_____our office_____

Two hundred sixty-eight and $\frac{50}{100}$_____Dollars,

with interest from maturity at the rate of six per cent per annum.

Johnson and Campbell.

In the note above shown each member of the firm is individually responsible, but in case suit is brought they must be sued together.

JOINT NOTE

$ 86.25 No._____

Kansas City, Kansas, November 5, 19___

Due_____

_____On March 1, 1913, _____after date, for value received,

we promise to pay_____James Cahill_____or order,

at_____The Home State Bank_____

Eighty-six and $\frac{25}{100}$_____Dollars,

with interest from___date___at the rate of___six___per cent per annum.

A. R. Black.

B. K. Cramp.

This note in effect is the same as a partnership note; that is, each person signing it is individually responsible for its payment, and in case suit is brought they must be sued together.

JOINT AND SEVERAL NOTE

$200.00 No._____

Philadelphia, Pa., June 1, 19___

Due_____

_____Three years_____after date, for value received, we, or either of us, promise to pay A. M. Brown or order, at_____Second National Bank_____ Two hundred and $\frac{00}{100}$_____Dollars, with interest from___date___at the rate of___six___per cent per annum, payable___semi-annually.____

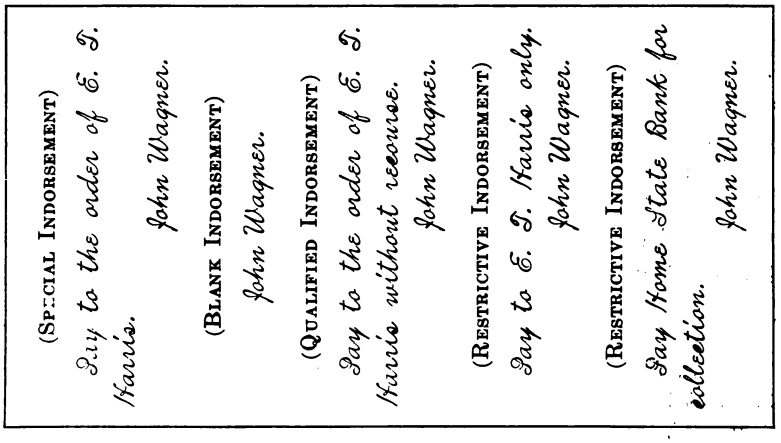
Joseph Kelly.
R. L. Sears.

Each person signing a joint and several note is individually responsible for its payment, and if suit is brought either may be sued separately, or they may be sued collectively.

Indorsement of Notes. When a note is drawn payable to order, it must be indorsed by the payee, if it is transferred to some other person. Indorsements are usually written across the left-hand end of the back of notes. There are different forms of indorsements, a few of which are illustrated on the next page.

Instead of the word *order*, the word *bearer* may be used in a note. If it is so written, it may be transferred without indorsement; but it is better, even in this case, for the person receiving the note to require it to be indorsed as evidence that the payee has transferred it. It is safer, however, to write notes payable to order, for if payable to bearer and lost or stolen any one can present them for payment.

ILLUSTRATION OF INDORSEMENTS



If the note is to be paid only to the person named in it, the words *order* and *bearer* should be omitted.

What is said here about the indorsement of notes applies also to checks, drafts, or other commercial paper.

Effect of Indorsement. An indorsement transfers the indorser's title to the note (or other negotiable paper) to the indorsee. It also acts as a guarantee by the indorser that he will make the note good, if the maker should fail to do so.

Indorser and Indorsee. If the payee of a note transfers it to another by indorsement, he becomes an *indorser*, and the person to whom it is thus transferred becomes an *indorsee*.

Maturity of Notes. By the maturity of a note is meant the date when it is due. Sometimes this is specified in the body of the note by month and day; as, "On August 1, 19—, I promise, etc." Sometimes it is made payable a certain number of days, months, or years after a specified time. If this period of time is given in days, the exact number must be counted to obtain the date of maturity.

If the time is given in months, a calendar month is meant; that is, from a certain day of one month till the same day of the following month, provided this following month has the requisite number of days; otherwise the time would end on the last day of the shorter month. To illustrate this last statement, suppose four notes are given respectively on January 28, 29, 30, and 31, each for one month. Each of these would be due February 28, except in a leap year. If the time is in years, the rule is similar to the rule for months.

Exercise in Writing Notes

1. S. M. Davis gave note payable to J. C. Armsby, or order, for $612, at 90 days from date, at 6% interest from date. Date of note, March 12, 1914.

2. On July 20, 1914, W. M. Johns gave a note to R. M. Russell, or bearer, for $235.20, payable 2 years from date, with interest at 6% from date and payable semiannually.

3. Note dated September 1, 1914, payable March 1, 1915, interest 6% after maturity. Made by J. M. Carr and A. B. Carney and payable to W. S. Cordin, or order. Write joint note.

4. Using data of preceding, write joint and several note.

5. Maker, A. M. Brown ; payee, S. M. Hale ; date, January 5, 1915 ; time, 3 years from date ; amount, $328.40 ; interest, 6% payable semiannually. Write order note payable at Central National Bank and transfer it to A. H. White by special indorsement.

6. Write individual bearer note payable at Central National Bank, with interest from maturity, and transfer it by special indorsement.

7. Write partnership order note, with interest from date and payable annually, and transfer it by restrictive indorsement.

8. Write joint and several order note, with interest from date.

9. Write individual order note (payable at office of maker) with no mention of interest. Will a note so written draw interest ?

10. Write individual "order" note for $250, using current date; time, 60 days from date; interest, 6% from date; payee, John McBride; maker, Caleb Moore.

11. Write "order" note for $375 for 9 months at 6%, using current date, favor of D. S. Marshall, and made by Leroy Spencer. Transfer the note by special indorsement to S. M. Springer.

12. Write joint note: amount, $460; current date; time, one year from date; interest, 6% payable semiannually; payee, J. R. Stone; makers, W. S. Bell and R. S. Kline.

13. Write "bearer" note, using current date; time, 120 days; payee, W. W. Brown; amount, $290; rate of interest, 6% from maturity, payable semiannually; maker, L. L. Hollis.

14. Write note favor J. S. Ramsey and Company, or order, for $420, at 6% interest from date; date, March 10, 19—; time, 10 months; maker, W. B. Marsh; payable at Central National Bank.

15. Write individual order note, payable to some firm at their office, with interest from date at the lowest legal rate for your state.

CHAPTER V

ACCOUNTS WITH NOTES

Kinds of Notes in Relation to Maker and Payee. In accounts with notes a twofold classification is made, based on the relation of the maker and the payee to the note. The maker of a note calls it a *note payable*, because he must pay it at some future time. The payee of a note calls it a *note receivable*, because he is to receive pay for it at some future time. If a note is transferred to another, whether by indorsement or otherwise, this person calls it a note receivable, because he is now the one who is to receive pay for it.

Rule for Debiting and Crediting Notes

Debit / *Credit* } *a note when it is* { *received.* / *given up.*

The Accounts. Since there are two kinds of notes the records of them are kept in separate accounts. The record for each note should contain all the important facts concerning it.

Remark. Instead of using the terms *notes receivable* and *notes payable* for the titles of these accounts, the terms *bills receivable* and *bills payable* are frequently used. The reason for this is that time drafts usually are recorded in the same account with notes ; and the word *bill* applies to both a note and a draft. But drafts have not yet been considered. For this reason, and because it is more definite, the word *note* is used here.

ILLUSTRATION OF ACCOUNTS WITH NOTES

Notes Receivable

1917			Dr.		Cr.	
March	20	Loaned John Crawford cash on his note at 15 days, with interest at 6 %	200	00		
	25	Received of H. S. Ball on account his note at 60 days, with interest at 6 %	175	00		
April	4	Received cash of John Crawford for his note of March 20, 1917, due to-day [1]			200	00
	6	Received of A. S. Ramsey, for horse sold him, note made in his favor by W. H. Lamb, dated Jan. 10, 1916, and due July 10, 1917	150	00		
	12	Loaned R. S. Stevens cash on his note at 15 days, with interest at 6 %	180	00		
	27	Received cash of R. S. Stevens for his note of April 12, 1917 [1]			180	00
	30	***Balance (Red ink)***			***325***	***00***
			705	00	705	00
May	1	Balance — H. S. Ball's note dated March 25, 1917, $175, and W. H. Lamb's note received April 6, 1917, $150	325	00		

Notes Payable

1917			Dr.		Cr.	
July	8	Gave C. M. Ball my note on account for 2 years at 6 % interest payable semiannually			200	00
	15	Gave R. W. Ardrey, for money borrowed, my note for 30 days at 6 % interest			90	00
	20	Borrowed cash of W. C. Crowley on my note at 60 days			120	00
Aug.	14	Paid in cash note of July 15, 1917, favor R. W. Ardrey [1]	90	00		

[1] Although this note draws interest, no record of it is made here. A record of interest is made in the interest account which is illustrated on page 74.

EXERCISE 1

Accounts with Notes

Direction. For this exercise open two accounts, one with Notes Receivable and the other with Notes Payable. Be careful in classifying the notes that you make the record in the correct account.

April, 19—.

10. Gave B. S. Small note at 10 days on account, $50.

15. Received note of W. H. Camp at 60 days for $200, at 6% interest, for cash lent him.

18. B. W. Smith gave me his note at 90 days to apply on account, $150.

20. Paid in cash note of the 10th, favor B. S. Small.

25. Borrowed of W. S. Pate on my note at 15 days, at 6% interest, $125.

28. R. M. Raines gave me his note at 6 months, with 6% interest, for hogs sold him, $60.40.

30. Loaned E. K. Daniels cash on his note at 20 days, at 6%, $125.

May, 19—.

10. Paid W. S. Pate amount borrowed April 25.

12. Gave D. C. Ames note for $80 for 3 months, at 6%, on account.

20. Received cash of E. K. Daniels for loan of April 30.

25. Transferred W. H. Camp's note of April 15 to E. C. Smith for cattle purchased of him.

27. Gave my note at 90 days on account to S. M. Hadden for $50.

EXERCISE 2

Accounts with Notes

Instruction. Open one account with Notes Receivable, and another with Notes Payable.

September, 19—.

3. Sold R. F. Graham on his note at 6 days, with interest at 6%, 3 M ft. hemlock boards at $12 per thousand ; 8 M. XX shingles at $4 per thousand.

September, 19—.

4. Borrowed cash of J. T. McKitrick on note at 90 days, with interest at 6%, $450.

9. Received cash of R. F. Graham for his note of the 3d, $68.

11. Sold H. H. Martin on his note at 8 days, with interest at 6%, 20 M XX shingles at $4 per thousand ; 7 M laths at $3 per thousand ; 9 M ft. flooring at $25 per thousand.

12. Received of C. B. McMullen note at 15 days, with interest at 6%, on account, $250.

19. Received cash of H. H. Martin for his note of the 11th.

20. Sold stock of lumber to H. H. Martin on his note at 60 days, with interest at 6%, for $1550.

26. Gave William Murchie on account, note at 60 days, with interest at 6%, $800.

27. Received cash of C. B. McMullen for note of the 12th due to-day.

30. Bought of J. W. McClenahan invoice of lumber and gave in payment note of 20th, held against H. H. Martin, $1550.

October, 19—.

3. Sold H. Finney on his note at 30 days, with interest at 6%, 16 M XX shingles at $4 per thousand ; 17 M ft. spruce lumber at $15 per thousand ; 3 M ft. flooring at $25 per thousand.

10. Gave William Murchie note at 5 days, with interest at 6%, to apply on account, $600.

13. Received cash of H. Finney in part payment of note of 3d, $375.

15. Paid in cash note of the 10th, favor of William Murchie.

19. Sold J. C. Long on his note at 11 days, with interest at 6%, 12 M laths at $3 per thousand ; 8 M ft. pine boards at $18 per thousand ; 9 M ft. spruce lumber at $15 per thousand.

12. Received of C. B. McMullen note at 30 days, with interest at 6%, to apply on account, $200.

25. Bought of David Wylie on note at 6 days, with interest at 6%, invoice of lumber, $490.

26. Received of S. G. Craig on account, note at 60 days, with interest at 6%, $225.

30. Received cash of J. C. Long for his note of the 19th, $315.

31. Paid David Wylie cash for note of the 25th.

31. Balance and rule both accounts.

Bills Receivable

No.	When Received	Drawer or Last Indorser	Drawee or Maker	In Whose Favor	For What Received	Where Payable	Date	Time	When Due	Amount	When and How Disposed Of

Bills Payable

No.	When Issued	Drawer	Drawee or Maker	In Whose Favor	For What Given	Where Payable	Date	Time	When Due	Amount	When and How Disposed Of

THE BILL-BOOK

Another method of keeping a record of notes, but without the debits and credits, is by using a bill-book. Such a book is specially ruled for the purpose. These books differ in minor particulars, but the forms on page 62 illustrate the principal features of all bill-books. The terms *drawer* and *drawee* used in these forms refer to drafts. They are given because bill-books are usually prepared for both notes and drafts.

Exercise for the Bill-Books

Record the notes of pages 60 and 61 in the bill-books.

CHAPTER VI

ORDERS AND CHECKS

An *order* is a request of one person on a second to pay money or to deliver goods to a third person.

Parties to an Order. There are three original parties to an order: the drawer, the drawee, and the payee. The *drawer* is the person drawing the order, that is, the person making the request; the *drawee* is the person upon whom it is drawn, that is, the person who is to pay it; the *payee* is the person in whose favor it is drawn, that is, the person to whom the money is to be paid, or to whom the goods are to be delivered. If the payee transfers an order to another by indorsement, he becomes an *indorser*, and the person to whom it is thus transferred is called an *indorsee*.

In the first of the following orders W. C. Huston is the drawer, H. F. Needham is the drawee, and W. H. Kern is the payee.

A Form of Order Payable in Money

$25.00 Dayton, Ohio, April 16, 19___

H. F. Needham will please pay the bearer,

W. H. Kern

Twenty-five and $\frac{no}{100}$ Dollars,

and charge the same to my account.

W. C. Huston.

A Form of Order Payable in Goods

$ 15.00 *Pittsburg, Kansas, June 8, 19---*

-----S. M. Small, 416 Broadway----------will please deliver to---Samuel Whiteomb---goods to the amount of Fifteen and $\frac{no}{100}$*----------Dollars, and charge the same to my account.*

John Wilson.

Classes of Orders. Orders may be classed as general and specific. The *general order* (called simply an order) is used in any common business transaction in which a second person is requested to pay money or to deliver goods to a third. The *specific orders* are checks, drafts, letters of credit, postal and express money orders, etc. These take their names from the circumstances or relations in which they are used.

Checks. A *check* is a written order of a person (depositor) on a bank requesting the payment of a specified sum of money to another person, or to his order.

A Form of Check

No.--------- *Kansas City, Kansas, August, 16, 19---*

The Home State Bank

Pay to the order of----------C. W. Ramsey $ 146.25

One hundred forty-six and $\frac{25}{100}$*----------Dollars.*

R. L. Haslett.

Exercise in Writing Checks

Directions. Write the checks of this exercise, but pay no attention to the deposits. They are to be used in the next chapter. Where a name is omitted in the memoranda, the pupil may use his own name. Save the checks written in this exercise for use in the next chapter.

If preferred, this exercise and Exercise 1 of Chapter VII may be written at the same time.

January, 19—.

10. Deposited currency in The Home State Bank, $50.

12. Drew check on The Home State Bank, favor A. S. Crawley, for $20.

13. Received check drawn by R. S. Ramsey, in my favor, on The First National Bank for $10.

15. Drew check on The Home State Bank, favor L. M. Hadden, for $10.

16. D. W. Dragoo gave me check on The Commercial National Bank, drawn in his favor by A. R. Brown, and transferred to me by special indorsement, $16.80. (Write the indorsement. See page 55.)

17. Deposited : notes, $15 ; coin, $8.40 ; checks of 13th and 16th.

18. Drew check on The Home State Bank for $21.75, favor J. H. Jones.

20. A. K. Henry gave me check drawn on The Stock Exchange Bank by himself in my favor for $23.60.

22. Received of R. E. Bailey a check on The Home State Bank, drawn in his favor by Z. M. Mitchell, and transferred to me by special indorsement, $12.85.

24. Deposited : notes, $21 ; coin, $12.50 ; checks on hand.

25. Drew check on The Home State Bank for $31.20, favor B. S. Long.

26. Received check drawn in my favor by J. W. Ball on The Commercial National Bank, $19.80.

27. Drew check on The Home State Bank, favor myself, $7.20.

29. S. K. Thompson gave me check on the Stock Exchange Bank, drawn in his favor by John Colton, and transferred to me by special indorsement, $22.90.

30. Deposited : notes, $17 ; coin, $9.25 ; all checks on hand.

31. Balance the account after writing it as Exercise 1 of Chapter VII.

CHAPTER VII

ACCOUNT WITH A BANK

The account with a bank is included among personal accounts by the definition in Chapter II. The rule for debiting and crediting given there will apply to this account, but one in a little different form is given here. This account may be kept in a check book.

Rule for Debiting and Crediting a Bank

Debit / *Credit* } *the bank when a* { *deposit is made.* / *check is drawn on it.*

Deposit Ticket. When a deposit is made in a bank the items of the deposit are filled out on a ticket prepared for that purpose. It is customary for the depositor to fill out the ticket and then to present it with the deposit at the Receiving Teller's window.

EXERCISE 1

Account with The Home State Bank

Directions. In this exercise the data of the exercise for writing checks (Chapter VI) may be used. In connection with each deposit fill out a deposit ticket. Indorse, by a blank indorsement, all checks deposited. Signing the name as it is on the face of a check is the usual indorsement when the check is deposited or cashed at a bank. If a check has been indorsed already one or more times, the name should be written below the other indorsements.

It may be that a few deposit tickets can be secured at some local bank. If not, they can be prepared.

A FORM OF DEPOSIT TICKET

DEPOSITED WITH

FOURTH NATIONAL BANK

OF PHILADELPHIA

To the Credit of

_____

_____ 191 ___

PLEASE LIST EACH CHECK SEPARATELY

	DOLLARS	CTS.
Notes		
Coin		
CHECKS AS FOLLOWS: (If in City name of Bank; if out of City, name of place where payable.)		
Total, $		

THIS COLUMN FOR CHECK MARK EXCLUSIVELY

SEE THAT ALL CHECKS AND DRAFTS ARE INDORSED

NOTE. The term "notes" as used in the above Deposit Ticket refers to paper money — sometimes called bills. "Coins" includes gold, silver, nickel, and copper coins issued by the government. On some Deposit Tickets the terms "currency," "gold," and "silver" are used, in which use the nickel and copper coins are included with the silver.

Illustration of an Account with a Bank

First National Bank

1916			Dr.		Cr.	
Aug.	10	Deposited	40	00		
	12	Drew check favor W. K. Tucker			15	20
	13	" " " B. C. Danison			9	40
	18	Deposited	23	60		
	20	Drew check favor L. M. Kelley			22	75
	23	" " " myself			12	00
	31	Balance (Red Ink)			4	25
			63	60	63	60

EXERCISE 2

Account with The Commercial National Bank

March, 19—.

2. Opened an account this day depositing notes, $50 ; coin, $25.
2. Drew check favor John Kelsey, $10.
5. Drew check favor H. H. Cogwell, $5.
7. Drew check favor L. H. Coons, $15.
10. Deposited as follows : notes, $20 ; coin, $12.30 ; checks signed as follows : J. R. Camp, $4 ; S. M. Baker, $9.
12. Drew check favor John Kelsey, $12.
16. Drew check favor C. C. Ball, $18.
20. Deposited notes, $9 ; coin, $27.60 ; check made by H. F. Adams, $6.20.
25. Drew check favor myself, $15.25.
30. Drew check favor R. S. Burgess, $15.40.

April, 19—.

1. Drew check favor A. G. Kelley, $40.
6. Deposited notes, $40 ; coin, $12.90 ; checks signed as follows : T. J. Axline, $8.50 ; R. S. Cupp, $12.30.
8. Drew check favor A. H. Brown, $30.
10. Drew check favor A. B. Craig, $14.20.
15. Drew check favor B. C. Dunning, $9.50.
18. Deposited currency, $30 ; gold, $20.
20. Drew check favor John Kelsey, $8.
21. Drew check favor A. B. Craig, $4.30.
23. Drew check favor H. H. Cogwell, $5.
24. Drew check favor C. C. Ball, $15.
25. Deposited checks signed as follows : R. L. Boyer, $8.60 ; H. C. Black, $9.20.
27. Drew check favor W. W. Brown, $10.40.
28. Drew check favor H. C. Campbell, $15.90.
30. Drew check favor L. M. Hopkins, $21.80.
30. Balance and rule the account.

Accounts with a Savings Bank

The illustration opposite shows a common form for savings accounts. The method of keeping the account will be clear, it is thought, from an examination of the illustration, excepting the interest items on July 1 and January 1. In this illustration, the interest is computed at 3 % per annum and added each six months on the following basis: The smallest balance for each month draws interest for that month. But an amount deposited not later than the 5th of the month draws interest for that month, unless a withdrawal is made later in the month, reducing the balance to an amount smaller than it was on the 5th of the month.

In the illustration the smallest amount for January is $50. In February the smallest balance is $90, as no new deposit was made till the 8th. For March $145 draws interest, as a deposit was made before the 5th and the withdrawal on the 25th did not reduce the balance below this

A FORM OF AN ACCOUNT WITH A SAVINGS BANK

1916		DEPOSITED		WITHDRAWN		BALANCES	
Jan.	2	50	00			50	00
	13	40	00			90	00
Feb.	8	20	00			110	00
	17	10	00			120	00
	25			5	00	115	00
Mar.	4	30	00			145	00
	15	20	00			165	00
	25			10	00	155	00
May	9			15	00	140	00
	20	25	00			165	00
	27	5	00			170	00
June	12	20	00			190	00
	27			50	00	140	00
July	1	1	80	Int.		141	80
	10	30	00			171	80
Aug.	3	15	00			186	80
	15			10	00	176	80
Sept.	12	20	00			196	80
Nov.	15	25	00			221	80
Dec.	15	30	00			251	80
	22			15	00	236	80
19	17						
Jan.	1	2	78	Int.		239	58

amount. The April balance is $155, as there was no deposit or withdrawal during the month. The smallest balance for May is $140. For June it is also $140. Adding these smallest monthly balances gives a total of $720. The interest on this amount at 3% for one month is $1.80. This is added to the preceding balance on July 1.

SUGGESTION TO THE STUDENT. Verify the interest for January 1.

EXERCISE FOR SAVINGS BANK ACCOUNT

DIRECTION. Write up the following exercise, using the preceding form as a model:

19—.			
Feb.	1.	Deposited,	$50.00
	15.	Deposited,	30.00
Mar.	3.	Deposited,	40.00
	10.	Withdrawn,	15.00
	20.	Deposited,	20.00
April	2.	Deposited,	30.00
	18.	Withdrawn,	10.00
June	10.	Deposited,	25.00
	22.	Deposited,	15.00
July	1.	Add interest at 3%.	
	3.	Withdrawn,	10.00
	15.	Deposited,	15.00
Aug.	8.	Deposited,	20.00
	25.	Deposited,	10.00
Sept.	1.	Deposited,	15.00
	20.	Withdrawn,	10.00
	28.	Deposited,	20.00
Oct.	14.	Deposited,	20.00
Nov.	1.	Deposited,	25.00
	15.	Deposited,	20.00
Dec.	22.	Withdrawn,	15.00

19—.			
Jan.	1.	Add interest at 3%.	
	15.	Deposited,	$ 5.00
Feb.	8.	Deposited,	15.00
	15.	Deposited,	25.00
April	3.	Deposited,	20.00
	10.	Withdrawn,	15.00
June	1.	Deposited,	8.00
	15.	Deposited,	25.00
July	1.	Add interest at 3%.	
	1.	Deposited,	15.00
	15.	Deposited,	12.00
Aug.	3.	Deposited,	20.00
	17.	Deposited,	18.00
Oct.	1.	Deposited	25.00
	19.	Withdrawn,	14.00
Nov.	1.	Deposited,	15.00
	10.	Deposited,	10.00
Dec.	8.	Deposited,	17.00
	21.	Withdrawn,	15.00
19—.			
Jan.	1.	Add interest at 3%.	

SUGGESTION. Inquire the rate of interest paid by your local Savings Bank and the rule used in obtaining the monthly balances, and the interest periods. Then write an exercise covering a period of a year or more, treating it in accordance with local usage.

QUERY. If a young man 18 years of age, instead of spending five cents a day for cigars, would put $1.50 in a Savings Bank on the first day of each month, how much would it amount to by the time he is 30, if interest is added each six months at 3% per annum?

CHAPTER VIII

INCIDENTAL ACCOUNTS

Accounts may be divided into four classes:

1. Personal
2. Property
3. Incidental
4. The loss and profit

Personal accounts and property accounts have had some consideration already. The loss and profit account is used in a complete system of bookkeeping into which to collect the losses and the profits shown by other accounts. It will be fully explained at the proper place. All other accounts may be grouped as incidental. The accounts which are put in this class are so varied that it is difficult to select a satisfactory term by which to designate the class. Various terms have been used, among which are incidental, use and service, allowance, nominal, and imaginary.

This group includes all accounts that show losses or profits, but which usually do not have anything in the way of property [1] connected with them. A few of these are expense, interest, discount, commission, rent, advertising, salary, and storage.

RULE FOR DEBITING AND CREDITING

Debit / *Credit* — *the incidental item when it produces a* — *loss.* / *profit.*

[1] Note the meaning of *property* as used here. See Chapter III.

Illustration of an Incidental Account

Interest

1916			Dr.	Cr.
Sept.	5	A. R. White paid me for 6 months ending to-day on note dated March 5, 1914		16 30
	12	N. C. Eagle paid me for one year ending Sept. 10 on note dated Sept. 10, 1915		41 60
	15	Paid A. B. Carney for 6 months ending to-day on note dated Sept. 15, 1914	18 40	
	20	R. S. Branham paid me for 6 months ending to-day on note dated Sept. 20, 1915		15 20
	30	Unpaid interest due me (Red Ink)		30 80
	30	Profit (Red Ink)	85 50	
			103 90	103 90
Oct.	1	Unpaid interest due me	30 80	

NOTE. In balancing this account, if all interest has been paid, the difference will be the loss or the profit. In the case illustrated there would be a profit of $54.70. But if some interest is due at this time and unpaid, it must be considered, if the account is to show the true loss or profit.

In continuing this account the " unpaid interest due " would be brought below the rulings, but the " profit " would not be. If the amount due is small, it need not be considered in balancing an interest account. If paid during the next business period, it would be included then, and the result would be the same in the end. But if a considerable amount is due, it should be considered.

The preceding statements apply to all incidental accounts.

EXERCISES FOR INCIDENTAL ACCOUNTS

EXERCISE 1

AN ACCOUNT WITH INTEREST

SUGGESTION TO THE TEACHER. If it is desired to make this also an exercise in computing interest, designate a rate and let each principal be computed by it. The interest will then be different from the amounts given.

March, 1917.

1. Paid H. F. Bradley for 6 months ending to-day on note of $440, dated September 1, 1916, $15.30.

6. Paid R. S. Fulton for one year ending March 4 on note of $325, dated March 4, 1915, $19.80.

7. John Wilson paid me for 6 months ending to-day on note of $76.50, dated March 7, 1916, $3.20.

April, 1917.

10. Paid L. L. Bushey for 6 months ending to-day on note of $215, dated October 10, 1916, $8.80.

15. H. M. Bain paid me for one year ending April 13 on note of $175, dated April 13, 1914, $10.24.

26. Paid A. M. Black for 6 months ending to-day on note of $325, dated October 26, 1916, $13.48.

May, 1917.

10. Paid J. C. Caney for 90 days on note of $245, dated February 9 and due to-day, $5.12.

May, 19—.

16. J. K. Henry paid me for 60 days on note of $920, dated March 16 and due to-day, $9.51.

31. Determine loss or profit, foot and rule the account. Unpaid interest due person keeping the account, $20. Unpaid interest due others, $15.

EXERCISE 2

AN ACCOUNT WITH EXPENSES

October, 19—.

1. Bought hat, $1.75.
4. Bought pocket knife, 60c.
7. Spent at social, 40c.
10. Bought book, 50c.
12. Street car fare, 10c.
15. Sold to John Green the knife bought the 4th, 60c. (Credit expense.)
18. Bought necktie, 25c ; collar, 15c ; handkerchief, 10c.
21. Admission to entertainment, 25c.
28. Paid subscription to " Youth's Companion," one year, $2.
31. Determine loss, foot and rule the account.

EXERCISE 3

AN ACCOUNT WITH COMMISSIONS

September, 19—.

3. H. A. Harns paid me for selling horse, $10.
6. Received of B. W. Smith for selling two lots, $25.
9. Paid for advertising in " Daily Globe," $12.50.
10. Received of S. M. Kaylor for selling house, $120.
14. Received of J. M. Rankin for renting house, $3.50.
18. Paid John Wilson part of commission received of S. M. Kaylor on the 10th and due him, $30.
20. Paid for stationery and postage, $4.30.
21. J. H. Harvey paid me for selling house, $12.
24. Received of A. B. Russ for renting house, $2.50.
28. Received of W. C. Ardrey for selling wagon and harness, $5.
30. Determine loss or profit, foot and rule the account.

EXERCISE 4

AN ACCOUNT WITH PASTURING CATTLE

Write up an account from the following suggestions: Rent a pasture for a certain sum per month for the season

of good grass, paying the rent monthly. Take in cattle at a certain rate per head per month, collecting rents monthly. Part of the cattle are milch cows. Pay a boy for collecting and returning these morning and evening. Allow some expense for caring for cattle, as salting, etc. You are to make needed repairs on fence. Include other items that may occur to you. Determine loss or profit.

EXERCISE 5

ACCOUNT WITH OPENING RIVERVIEW ADDITION

April, 19—.

1. Paid office rent one month, $10 ; paid for sign boards, $7.
3. Paid for circulars, $2 ; paid for distributing circulars, $3.
4. Paid for advertisements, $10.
5. Bought horse and buggy, $150.
6. Bought 2 bu. corn at 60c.
8. Received for commissions on lots sold, $100.
9. Paid for rent of stable for two weeks at $1.50.
10. Paid for telephone, $2.
12. Received for commission, $75.
13. Paid for advertisements, $8. Received for commissions, $20.
18. Bought 3 bales of hay at 30c.
20. Received for commission on eight lots sold, $200.
30. Bought 2 bu. oats at 60c.

May, 19—.

1. Paid office rent till May 31, $10.
2. Paid for telephone, $2. Received for commission on two cash sales, $60.
5. Paid for advertisements, $25.
6. Received for commissions, $80.
10. Received for commissions on balance of lots sold, $150. Sold horse and buggy for $100.
10. Determine the profit, foot and rule the account.

SUGGESTION. Write other accounts. Suggested titles: pasture (you being the owner and taking in stock), storage, rents, advertising, labor, building a house at 216 Washington Avenue (you being the contractor), etc.

CHAPTER IX

RECEIPTS

A *receipt* is a written acknowledgment of the payment of a debt.

Illustrations of Receipts

To Apply on Account

$30.00 Buffalo, N.Y., Jan. 10, 19...

Received of John H. Calhoun

Thirty and $\frac{00}{100}$ Dollars,

to apply on account.

J. R. Leovell & Co.

In Full of Account

$128.43 Buffalo, N.Y., Jan. 10, 19...

Received of Raymond & Culver

One hundred twenty-eight and $\frac{43}{100}$ Dollars,

in full of account to date.

John S. Nesbit.

PAYMENT ON NOTE [1]

$125.00 Buffalo, N.Y., Jan. 20, 19...

Received of R. C. Lambert

One hundred twenty-five and $\frac{00}{100}$ Dollars,

as a partial payment of his note dated October 15, 1908, for four hundred sixty dollars, payable to myself.

M. J. Gordon.

EXERCISE FOR WRITING RECEIPTS

1. J. M. Russell received of W. R. Green $18 in payment of rent of house at 118 Forest Avenue for month of June. Date, July 1, 1917.

2. Give B. S. Wylie receipt for $35 to apply on account. Use current date and your own name.

3. On June 15, 1917, J. S. Eversole gave R. M. Wills receipt for $125 in part payment of note for $500, dated January 20, 1915.

4. Dr. H. H. Watson gave L. C. Downs receipt for $60 for services during sickness of his son Robert. Use current date.

5. On July 3, 1917, W. S. Campbell gave A. W. Hammer receipt for $18.20 for interest for six months ending July 1, 1917, on note of $455, dated July 1, 1916.

6. Write other receipts.

[1] Notation of payment on a note should also be made on the back of the note.

CHAPTER X

BILLS OR INVOICES

A *bill* or *invoice* is a statement of indebtedness. The indebtedness may be for services rendered or for articles purchased. If it is for articles purchased, it should contain a list of the articles, the quantity and price of each, the entire cost, and the date.

A FORM OF BILL

Kansas City, Mo., August 12, 1916.

John L. Black,
Rosedale, Kansas

BOUGHT OF E. P. Ward & Company

20 lb. Sugar	6¼¢	1	25	
5 " Y. H. Tea	45¢	2	25	
3 gal. Molasses	60¢	1	80	
6 bu. Potatoes	65¢	3	90	
12 doz. Eggs	17¢	2	04	11 24

Received payment,
E. P. Ward & Co.
per A. R. K.

Exercises for Writing Bills

Procure or rule bill forms. Perhaps you can secure them from a printing office. Make out bills for the following and receipt them. Use your own name for buyer, and as seller some firm that deals in the kind of goods given. Use current date.

1. 3 lb. rice at 8½c.
   10 lb. sugar at 6c.
   2 lb. coffee at 40c.

2. 5 spools thread at 4c.
   8 yd. calico at 6¼c.
   12 yd. lace at 20c.

3. 20 lb. nails at 4c.
   6 pair hinges at 15c.
   3 doz. screws at 10c.
   8 bolts at 3c.

4. 20 bu. corn at 55c.
   15 bu. oats at 50c.
   4 bales straw at 45c.
   8 bales hay at $1.10.

5. 2 baskets plums at 30c.
   3 boxes strawberries at 12½c.
   1 doz. bananas at 15c.
   ½ doz. oranges at 35c.

6. 5 sacks cement at 70c.
   10 bu. sand at 7c.
   12 bu. grit at 6c.
   2 bu. lime at 50c.

7. 10 peach trees at 30c.
   15 apple trees at 35c.
   6 pear trees at 60c.
   5 plum trees at 50c.

8. Write other bills and receipt them, using as seller your name, and for buyer any name.

CHAPTER XI

STATEMENTS

Many persons fail financially, and many others do not make any financial headway. One cause of this, it is believed, is that these people never make any systematic examination of their financial condition. Every one owes an obligation to himself and usually to others; therefore, he should make an honest effort, in all possible ways, to better his condition. One of the simplest ways of determining one's financial progress or failure is by means of statements made at regular intervals. These intervals should not be greater than a year. If carefully done, this will aid much in showing whether, upon the whole, an advance has been made. It may not show the source of the leaks or of the gains. But it is much better than nothing, and it is a comparatively simple process. A single statement is not sufficient to show the progress. But if one is made and preserved and at the end of a year, say, another is made, a comparison of the two will show the advance or decline.

In making statements estimates must be put on many items. This is particularly true in case of the farmer. But making these estimates educates the judgment. This of itself is an important gain. In making statements it is preferable to select a time of the year when the movable property is at its lowest. And in making estimates of property on hand it is usually better to underestimate the value than to overestimate it.

In this connection it is convenient to use a few new terms, definitions of which are given here.

Assets or *resources* include everything belonging to a

person (or concern), such as real estate, houses, household goods, stock, money, etc. It also includes sums due him, whether on notes, account, or otherwise.

Liabilities or *debts* include everything which a person (or concern) owes to others on notes, account, or otherwise; or they include the monetary obligations to others.

The *present worth* of a person (or concern) is what he is actually worth at the time in question. One way of finding it is to subtract the liabilities from the assets. If a person has property and other valuables worth $1500 and owes $300, his actual or present worth is $1200.

The *present investment* of a person (or concern) is the amount that is invested in a particular business at the time in question. It implies that this investment includes only a part of the assets of the given person or concern.

Insolvency is the condition in which the liabilities exceed the assets.

A *loss* is the excess of the cost over the selling price, or a decrease in value. It includes also all outlays incidental to the conducting of a business.

A *profit*, or a *gain*, is the excess of the selling price over the cost, or an advance in value. It includes also any returns for services rendered.

A *statement* is an exhibit, in a convenient form, of the principal facts of a business, or of some phase of a business. The details of its arrangement depend upon the information it is desired to make prominent. The sources of the material for statements will depend upon the manner of keeping the books.

An *inventory* is a list of articles on hand at a given time with their respective value. These values are generally computed at the cost price unless the selling price is lower than the cost, in which case the selling price is the basis for the inventory. If the inventory is of such articles as imple-

ments, machinery, furniture, etc., as are in use, the value should be less than cost and should be made less each year, depending upon the rapidity with which the articles depreciate in value.

Illustration of Statements [1]

Statement of Assets and Liabilities
April 1, 1915.

Assets				
Value of farm including buildings	4000	00		
Teams.	569	25		
Live stock	456	50		
Farm tools	285	00		
Farm products	120	00		
Household goods	425	00		
Due me on account	368	20		
Cash on hand and in bank	260	00		
Total assets			6483	95
Liabilities				
Mortgage on farm unpaid	1090	00		
Due others on account	41	20		
Total liabilities			1131	20
Present worth			5352	75

[1] These statements have been adapted from *The Farmer's Handbook* by Isaac P. Roberts of Cornell University, published by The Macmillan

It is not necessary to have a ruled book or a ruled sheet for these statements. A blank page will serve the purpose. The next statement, taken a year later than the preceding, is shown without rulings.

STATEMENT OF ASSETS AND LIABILITIES

Taken April 1, 1916.

ASSETS

Value of farm, including buildings	$4000.00	
Teams	490.00	
Live stock	620.40	
Farm tools	350.00	
Farm products	40.00	
Household goods	650.00	
Due me on notes	259.25	
Cash on hand and in bank	63.20	
Total assets		$6472.85

LIABILITIES

Mortgage on farm unpaid	$ 325.00	
Due others on account	38.20	
Total liabilities		363.20
Present worth		6109.65
Present worth April 1, 1915		5352.75
Net profit for year ending April 1, 1916		$ 756.90

To obtain the amount of each item in the foregoing statements it is necessary to make a detailed statement (or inventory) for each item.

Without such statements as the preceding, the person whose financial condition they represent, might think that but little gain had been made, especially as the cash on hand

Company. Persons interested in rural affairs will find many valuable suggestions in this book.

at the end of the period is small. This fact without the statements might be discouraging. However, these statements show that substantial payments have been made on the mortgage. And the detailed statements would show that a $250 piano had been bought and paid for during the year, and that a carriage had been added to the farm tools.

It is true, these statements do not show the sources of the profits. These may have come from grain harvested and sold between the time of the two statements, or from hogs raised and sold, or from cattle bought, grazed, fattened, and marketed. But the statement is an important step in the right direction.

Incidentally it may be said that in a large business in which the system of keeping the records is thoroughly organized, the statement is an important factor.

Exercises for Statements

Suggestion. If necessary, re-read the definitions of assets and liabilities. In each exercise after the first one the assets and liabilities are given miscellaneously, thus making it necessary to classify them. With the second statement of each exercise show the loss or the profit. Make statements.

EXERCISE 1

A person's assets January 1, 1916 were : house and lot valued at $1200 ; household goods, $620 ; horse and carriage, $225 ; due from John Wilson on note, $280 ; cash on hand and in bank, $156.25. His liabilities were : owed William Ramsey for painting house, $50 ; owed on house and lot, $325.

On January 1, 1917 the assets and liabilities were : Assets : house and lot valued at $1300 ; household goods, $650 ; horse and carriage, $200 ; due from John Wilson on note, $200 ; cash on hand and in bank, $208.40. Liabilities : owed on house and lot, $75 ; owed grocery bill, $20.

EXERCISE 2

On June 30, 1913, John A. Kennedy, a teacher, found his assets and liabilities to be as follows : cash in bank, $128.60 ; two houses and lots valued at $1000 and $1500 ; owed on mortgage, $420 ; notes against others, $325 ; 4 shares bank stock with surplus, $420 ; owed on bank stock, $100 ; cash value of life insurance, $428 ; household goods, $320 ; library, $125.

On June 30, 1914, his assets and liabilities were : cash in bank, $184.65 ; two houses and lots valued at $1000 and $1500 ; notes against others, $400 ; 4 shares bank stock with surplus, $440 ; cash value of life insurance, $463.20 ; household goods, $350 ; library, $150 ; one lot valued at $175 ; owed on lot, $100 ; interest due him, $10 ; due him on account, $60.

EXERCISE 3

J. A. Harmon was engaged in the real estate and rental business. On December 31, 1914, his books showed the following : cash on hand, $864.32 ; owed to owners of houses on rents collected, $150.25 ; due him on commissions for selling property, $128 ; notes held against others, $240 ; interest due him on notes, $38.20.

December 31, 1915, his books showed the following : cash on hand, $628.47 ; owed to owners of houses on rents collected, $80.50 ; due him on commissions for selling property, $340.50 ; notes held against others, $375 ; interest due him on notes, $54.30 ; horse and buggy, $225 ; owed on office rent, $15.

EXERCISE 4

The books of Hiram Maxwell, a grocer, showed the following December 31, 1913 : cash on hand, $543.78 ; owed others on account, $347.20 ; owed rent of store, $40 ; owed clerks, $60 ; value of stock of groceries, $840.20 ; due him on notes, $378 ; furniture and fixtures, $100 ; horse and wagon, $175.

December 31, 1914, his assets and liabilities were : cash on hand, $628.90 ; owed others on account, $142.90 ; owed clerks, $40 ; value of stock of groceries, $1058.75 ; due him on notes, $425 ; furniture and fixtures, $475 ; horse and wagon, $150.

NOTE. In Exercises 5–8 material is given for only one statement. The loss or the profit may be obtained by com-

paring the present worth at the end of the period with the amount invested at the beginning of the period.

EXERCISE 5

John Wilson began business with a capital of $1200. At the end of a certain period his books showed the following: Cash on hand, $1000. Merchandise on hand, $600. Value of real estate, $900. J. R. Dillon owed him on account, $500. He owed W. M. Steele on account, $700, and R. S. Colvin on account, $705. He also owed on notes outstanding, $350.

EXERCISE 6

W. A. Lyman commenced business, making an investment of $3200. At the end of a certain period his books showed the following facts: L. M. Black owed him on account, $400. W. S. Jones owed him on account, $200. He owed R. S. Crane on account, $315. Merchandise on hand, $950. Real estate valued at $900. Cash, $800. Notes on hand, $600.

EXERCISE 7

D. C. Crum began business, making an initial investment of $1000. At the end of a certain period his books showed the following: Merchandise on hand, $400. John Kelly owed him on account, $300, and Henry Gibson owed him on account, $50. He owed on account to D. C. Ardrey, $300, and to Charles Hastings, $40. There was due him on notes, $100, and he owed on notes, $125. He had other items of value amounting to $290.

EXERCISE 8

W. S. Dunn began business, investing $2400. At the end of a certain period his books showed the following: Merchandise on hand, $500. Value of real estate, $900. Cash, $300. Notes on hand, $500. He owed on account as follows: Samuel Harper, $20.70; W. S. Lambert, $450. There was due him from the following on account: D. S. Brown, $500; L. E. West, $374.75.

SUGGESTION. Make up other statements.

EXERCISE 9

Make a statement (or inventory as it may be called) of all the articles in your home, using the following as a suggested form.

Inventory of Household Goods

November 1, 19—

		Furniture				
		1 Dining Room table		9	00	
		6 " " chairs at	1.75	10	50	
		4 Parlor chairs at	2.50	10	00	
		Total furniture				29 50
		Utensils				
		1 Washing machine		8	00	
		1 Ironing board			75	
		1 Cook stove		20	00	
		Total utensils				28 75.
		Clothing				
		Library				
		Other items				
		Total				

EXERCISE 10

Make an inventory of all the articles in the home that are considered yours personally. This will show how much you are indebted to your parents for your present belongings.

EXERCISE 11

If you live on a farm, make an inventory of everything outside of the home, classifying the items under appropriate headings. This statement, with that of Exercise 9, will give part of the information for the assessor when he calls.

CHAPTER XII

DOUBLE ENTRY

In all of the previous work an account has been kept with only one person or item at a time. But every transaction affects at least two accounts. And in a complete system of bookkeeping a record is made in each of these. If there are but two accounts affected, the entry in one is a debit and in the other a credit for the same amount. In any case the debits and the credits are equal. This method of keeping accounts is known as double entry bookkeeping. To make the system complete by this method, it is necessary to have an account with the proprietor or to have some account representing him.

In commercial bookkeeping there are two fundamental books used, the journal and the ledger. In the journal the items of a transaction are classified with respect to the debits and credits and accompanied with an explanation of the transactions. The debits and credits are then transferred to the proper accounts in the ledger. It is customary also to use a cash-book in which is kept a record of cash transactions. If the business is an extensive one, other books such as the invoice book, the sales book, etc., are added to facilitate the handling of the accounts. But any book which may be added is only a modification of the journal. The methods of arranging the records in commercial bookkeeping are necessarily different from those illustrated in this book. But the principles governing the debits and the credits are the same.

THE PROPRIETOR'S ACCOUNT

In the proprietor's account are entered the assets and liabilities when opening a set of books, any subsequent investments or withdrawals, and the loss or the profit at such intervals as may seem desirable.

Rule for Debiting and Crediting the Proprietor

Debit the proprietor for his liabilities when opening his books, for anything he withdraws from the business, and for his losses; *credit* him for his assets when opening his books, for any subsequent investments, and for his profits.

Instead of debiting the proprietor for his liabilities and crediting him for his assets when opening his books, he may be credited for their difference, — that is, for the present worth.

Compare the proprietor's account on page 92 with that on page 98.

Note. The numbers 1, 2, 3, 4, etc., above the titles of the accounts indicate page 1, page 2, page 3, page 4, etc., of the account book. The numbers in the narrow column at the left of the money columns indicate the page of the account in which the opposite entry is made.

THE LOSS AND PROFIT ACCOUNT

This is an account into which the losses and the profits are collected from the other accounts showing them. As a general rule, the loss and profit account is debited or credited only with the balances of the various accounts which show a loss or a profit, such as interest, merchandise, expense, discount, commission, live-stock, grain, salaries, etc. Occasionally it has a loss charged directly to it as in the case of a heavy loss being caused by fire. Also it may be credited directly for a profit that arises from a source other than the customary ones.

Rule for Debiting and Crediting Loss and Profit

Debit / *Credit* } *the loss and profit account for all* { *losses.* / *profits.*

Note. Beginning on this page there is a short set, including the proprietor's account, written by the double entry method. Beginning on page 98 the same set is repeated, including the loss and profit account.

Illustrative Exercises

Samuel Howell (Proprietor)

1916			Dr.	Cr.
April 1	Opened set of accounts this day with the following assets and liabilities:-			
	Assets			
	Cash on hand	5		752.0
	Notes on hand	6		825.00
	Liabilities			
	Owed John Campbell on account	7	250.00	

2 Interest

1916				Dr.	Cr.
April	10	Received of W. K. Camp cash for one year on note dated April 10, 1914	5		19 50
	25	Received of S. A. Craven cash for six months ending to-day on note dated Oct. 25, 1915	5		15 00

3 Labor

1916				Dr.	Cr.
April	4	Paid H. A. Karns cash for four days' work	5	6 00	
	7	John Campbell worked for me five days	17	7 50	

4 Loss and Profit

5 Cash

1916			Dr.	Cr.
April 1	Amount on hand	1	75 20	
4	Paid H. A. Karns for four days' work	3		6 00
10	Received of W. R. Camp for note of April 10, 1914, due to-day	6	325 00	
10	Received for interest for one year on preceding note	2	19 50	
20	Paid John Campbell on account	7		20 00
25	Received of S. A. Craven for interest due to-day for six months on note dated Oct. 25, 1915	2	15 00	

6 Notes Receivable

1916			Dr.	Cr.
April	1	Note on hand against S. A. Craven, dated Oct. 25, 1915, for five years at 6%, payable semi-annually	1	500 00	
	1	Note on hand against W. R. Camp, dated April 10, 1914, for two years at 6%, payable annually	1	325 00	
	10	Received of W. R. Camp cash for note due today	5		325 00

7 John Campbell

1916			Dr.	Cr.
April	1	Due him on account	1		25 00
	7	He worked for me five days at $1.50	3		7 50
	20	Paid him cash	5	20 00	

THE TRIAL BALANCE

In a complete system of bookkeeping every time a person or an item is debited some other person or item is credited for the same amount. Hence, the sum of the debits always equals the sum of the credits.

The *trial balance* is an exhibit of the debit and the credit footings of each account to determine whether the sums of these footings are equal. If they are equal, usually it is taken as evidence that no entries have been omitted. Trial balances may be taken at such times as may be desired. The following is a trial balance of the preceding accounts on April 30, 1916. The numbers 1, 2, 3, 5, 6, 7 in this trial balance indicate the pages of the account book on which the accounts occur.

Trial Balance, April 30, 1916

		Dr.	Cr.
1	Samuel Howell	25 00	900 20
2	Interest		34 50
3	Labor	13 50	
5	Cash	434 70	26 00
6	Notes Receivable	825 00	325 00
7	John Campbell	20 00	32 50
		1318 20	1318 20

FINDING THE PRESENT WORTH

In Chapter XI there was given a method of finding the present worth. But in double entry bookkeeping there is another method. It consists in finding the net loss or the

net profit and, if a loss, deducting it from the worth at beginning as shown by the proprietor's account or, if a profit, adding it to the worth at beginning. The net loss or net profit is found by collecting the losses and the profits from the accounts showing them into the loss and profit account, and finding the difference between the two sides of this account. This difference is then transferred to the proprietor's account. Finally the difference between the two sides of the proprietor's account is found. This is the present worth.

The set on pages 92–95 is reproduced on pages 98–99 with the addition of the necessary entries to make the proprietor's account show his present worth. A comparison of the two will show these additional entries. Notice particularly that these entries are placed in the opposite columns of the two accounts affected. This keeps the accounts as a whole always in balance.

The items that would be brought below the rulings, if the record were continued, are shown in the following illustration. The accounts with cash, with notes receivable, and with John Campbell have not been disturbed because they do not show losses or profits.

In the proprietor's account on page 98 is shown a different arrangement for the opening entry. Compare this with the corresponding account on page 92.

EXERCISE

From the following data find the present worth (1) by getting the profit and adding it to the worth at first; (2) by taking the difference between the assets and liabilities.

Worth at a certain time, $1500. At the end of a certain period there had been paid for expenses, $42.30; received for interest, $36.90; received for pasture, $12.50; profit on hogs, $135.40; paid for taxes, $18.60.

Assets: cash on hand, $32.50; due from Julian Morrow on account, $140; implements, $800; live-stock, $700; hay, $60; grain, $85. Liabilities: due R. M. Bradshaw on account, $193.60.

1 Samuel Howell (Proprietor)

1916				Dr.	Cr.
April	1	Opened set of accounts this day with the following:-			
		Assets			
		Cash on hand 75.20	5		
		Notes on hand 825.00	6		
		Total assets 900.20			
		Liabilities			
		Owed John Campbell on acct 25.00	7		
		Net worth this day			875 20
	30	Net profit	4		15 50
	30	Present worth (Red Ink)		890 70	
				890 70	890 70
May	1	Present worth			890 70

2 Interest

1916				Dr.	Cr.
April	10	Received of W. R. Camp cash for one year on note dated April 10, 1914	5		19 50
	20	Received of S. A. Craven cash for six months ending today on note dated Oct. 25, 1915	5		15 00
		Profit (Red Ink)	4	34 50	
				34 50	34 50

3 Labor

1916				Dr.	Cr.
April	4	Paid H. A. Karns cash for four days' work	5	6 00	
	7	John Campbell worked for me five days	7	7 50	
	30	Due H. W. Kyle for two days' labor with team (Red Ink)		5 50	
	30	Loss (Red Ink)	4		19 00
				19 00	19 00
May	1	Due H. W. Kyle			5 50

4 Loss and Profit

1916				Dr.	Cr.
April	30	Profit on interest	2		34 50
	30	Loss on labor	3	19 00	
	30	Net profit (Red ink)	1	15 50	
				34 50	34 50

DIRECTIONS FOR WRITING A COMPLETE EXERCISE

The following will serve as a guide in performing the work of a complete exercise:

1. Make the record for the first period in the proper accounts.

2. Take trial balance. (In taking the trial balance, after the first time use the footings of each account up to the double rulings, but use nothing above these rulings.)

3. Cause the proprietor's account to show the present worth. To do this:

(1) Enter, in red ink, anything on hand belonging to property accounts and any unsettled items belonging to incidental accounts. (For convenience both of these items will be called inventories.) [See *Account with* 20 *Head of Hogs*, page 36.]

(2) Enter, in red ink, the loss or the profit in each account, and foot and rule the account. [See *Interest*, page 98.]

(3) Transfer the loss or the profit from each account to the loss and profit account, entering each in black ink and putting the amount in the column opposite that in which the red ink amount was placed. [See *Loss and Profit*, page 99.]

(4) Enter, in red ink, the net loss or net profit in the loss and profit account and foot and rule the account. [See *Loss and Profit*, page 99.]

(5) Transfer the net loss or net profit to the proprietor's account, entering it in black ink and putting the amount in the column opposite to that in which the red ink amount was placed. [See account with *Samuel Howell*, page 98.]

(6) Enter, in red ink, the present worth in the proprietor's account, and foot and rule the account. [See account with *Samuel Howell*, page 98.]

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4. Re-open the accounts if work is to be continued for another period:

(1) Transfer the present worth in the proprietor's account below the rulings, writing it in black ink and putting the amount in the opposite column. [See account with *Samuel Howell*, page 98.]

(2) Transfer the inventories, if any, below the rulings, writing them in black ink and putting the amounts in the opposite columns. [See *Interest*, page 74, and *Labor*, page 99.]

5. Make the record for another period and repeat the preceding steps.

SET I. — TRANSACTIONS FOR A FARMER

DIRECTIONS. In the following exercise keep an account with each person and each item involved. For each account leave the number of lines here designated: pupil (use your own name as proprietor), 25; live-stock, 40; field and garden products, 35; teams and implements, 20; expenses, 40; farm and buildings, 12; cash, 70; Harvey Arnold, 15; loss and profit, 30.

For practice, make the proprietor's account show the present worth on the last day of each quarter.

As a guide in performing the work follow the directions on page 100.

January, 19—.

1. Pupil (use your own name as proprietor) opened set of accounts, having the following assets : farm and buildings, $4000 ; cash, $85.75 ; live-stock, $420 ; field and garden products, $160 ; teams and implements, $560.

10. Sold for cash 5 head cattle, total weight 4890 lb., at 5c.

15. Horses, Ned and Kit, shod by Harvey Arnold, $1.25. (Debit expense and credit Harvey Arnold.)

20. Bought for cash 8 head hogs for $40.

January, 19—.

31. Sold during month butter and eggs for cash, $15.20. (Live-stock.)
31. Paid in cash grocery bill for month, $9.45. (Expense.)

February, 19—.

2. Paid cash for repairs on wagon, $2.75.
7. Paid house help in cash, $10.
15. Sold for cash 150 bu. wheat at 88c.
21. Had repairs made on buggy by Harvey Arnold on account, $5.25.
28. Sold for cash during month, butter and eggs, $18.45.
28. Paid in cash during month for meat and groceries, $7.30.

March, 19—.

9. Sold for cash 12 head hogs, 1790 lb., at 6¼c.
15. Sold Harvey Arnold on account 1 hog, 120 lb., at 6c.
24. Paid cash for help on farm, $23.
31. Determine the present worth. (See step 3, page 100.) Values of items belonging to different accounts are as follows : farm and buildings, $4000 ; live-stock, $350 ; field and garden products, $80 ; teams and implements, $560. There has been no change in the value of farm and buildings or in teams and implements since January 1. Hence, it is not necessary to go through the process of balancing and re-opening these accounts at this time.

April, 19—.

4. Had repairs made on implements by Harvey Arnold on account, $16.50. (Before making a record of this transaction be sure that the instructions of step 4, page 101, have been carried out.)
10. Bought for cash, gang plow, $55.
12. Bought for cash, milch cow, $50.
18. Sold for cash, 2 calves for $13.
26. Paid cash for farm help, $32.
30. Sold for cash during month, butter and eggs, $26.50.
30. Paid cash during month for flour and groceries, $15.90.

May, 19—.

7. Paid Harvey Arnold cash on account, $10.
16. Paid cash for help in house, $9.
25. Paid cash for permanent improvements on dwelling, $175. (Farm and buildings.)
31. Sold for cash during month, butter, $21.40.

June, 19—.

12. Bought for cash 50 bu. corn at 50c. (Field and garden products.)
20. Paid cash for repairs on harness, $3.20.
22. Paid cash for summer clothing for family, $22.85.
25. Paid cash for farm help, $45.
30. Sold for cash during month, garden produce, $21.90.
30. Paid cash during month for groceries, $5.80.
30. Determine the present worth. Values of items belonging to different accounts are as follows : farm and buildings, $4150 ; live-stock, $400 ; field and garden products, $75 ; teams and implements, $600.

July, 19—.

1. Re-open the accounts. (See step 4, page 101.)
7. Sold for cash, 9 hogs, 1360 lb., at 6c.
10. Bought for cash, one horse, Dick, $90.
20. Paid cash for help in harvesting, $40.
26. Sold for cash, 2 steers, 2145 lb., at 7c.
31. Sold for cash during month, garden produce, $41.30.
31. Paid cash for help in house and garden, $12.50.

August, 19—.

7. Sold for cash, 160 bu. potatoes at 45c.
10. Sold for cash, 5 tons hay at $6.50.
18. Had repairs made on single trees by Harvey Arnold on account, $1.60.
25. Paid cash for help in threshing wheat, $21.50.
28. Paid cash for threshing 825 bu. wheat at 3c.
31. Sold for cash during month, garden produce, $60 ; butter and eggs, $22.45.

September, 19—.

5. Bought for cash set harness, $35.
12. Sold for cash 300 bu. wheat at 87c.
18. Bought for cash school books, $5.30.
19. Sold Harvey Arnold on account 1 ton hay, $9.50.
22. Sold for cash 30 chickens at 25c.
29. Sold for cash during month, butter and eggs, $29.70.
29. Determine the present worth. Values of items belonging to different accounts are as follows : farm and buildings, $4150 ; live-stock, $425 ; field and garden products, $640 ; teams and implements, $700.

October, 19—.

1. Re-open the accounts.
3. Paid cash for farm help, $12.

October, 19—.

10. Sold for cash 9 hogs, 1080 lb., at 5½c.

13. Paid cash for insurance on house and barn for 5 years ending November 1, 19—, $15.30.

19. Sold for cash 250 bu. wheat at 83c.

22. Sold for cash 3 tons hay at $9.50.

25. Received cash for pasture, $18.

31. Sold for cash during month, butter and eggs, $25.10.

November, 19—.

6. Sold for cash 18 chickens at 25c.

10. Had tires re-set on wagon by Harvey Arnold on account, $2.50.

21. Sold for cash 75 bu. corn at 52c.

23. Sold for cash bay horse, Ned, $140.

26. Paid cash for farm help, $28.

December, 19—.

5. Received cash for boarding school teacher, two months, $30. (There being no regular account for an item of this kind, you may credit expenses.)

14. Paid taxes in cash, $23.68.

20. Paid Harvey Arnold cash on account, $5.

22. Bought for cash 30 head hogs, $85.

25. Paid cash for 240 bu. coal at 8c.

31. Determine the present worth. Values of items belonging to different accounts are as follows: farm and buildings, $4150 ; live-stock, $525 ; field and garden products, $650 ; teams and implements, $600. Balance all accounts, but bring nothing below the rulings. This will leave the accounts with a finished appearance.

SET II. — Transactions for a Young Man

Suggestion. This set may be written as one exercise or it may be made into two separate exercises. This must be decided before beginning; then space for each account may be left accordingly.

Space for Each Account. The number of lines for each account is here given : the first number after the title of the account designating the number of lines for Exercise 1,

if it is written alone; the second number, the number of lines for Exercises 1 and 2, if written together; and the third number, the number of lines for Exercise 2, if it is written alone.

Pupil: 12, 16, 12. Expense: 25, 45, 20. Commission: 12, 12, 0. Salary: 15, 15, 0. Board: 0, 15, 15. Interest: 5, 8, 5. Loss and Profit: 10, 15, 8. Cash: 50, 80, 40. Notes Receivable: 10, 12, 6. W. S. King: 5, 5, 0. J. W. Blair: 5, 5, 0. J. V. Gridley: 8, 8, 5. J. S. Ormsby: 5, 7, 6. M. C. Evans: 0, 5, 5. A. S. Duncan: 0, 5, 5.

EXERCISE 1

May, 19—.

1. Pupil opened a set of accounts this day, having cash on hand, $135.60. J. S. Ormsby owed him on account, $35, and D. C. Colvin owed on a note at 60 days from April 20, 19—, $95. There was due W. S. King on account, $23.60.

2. Paid in cash for board, $4; for advertising for situation, $1.25; for hat, $2.75. (*Expense.*)

5. Bought of J. W. Blair suit of clothes on account, $16.

8. Paid in cash laundry bill, 90c; for books, $2.15; for ticket to Y. M. C. A. entertainment, 25c.

9. Paid in cash board, $4; subscription to "Golden Rule," $1.

10. Was employed by L. S. Wiseman, a sewing machine agent, as collector at $12.50 per week and an allowance of 10% commission on all orders taken. (No entry is required for this. A memorandum, however, may be made in the cash account in the same form as an entry, but without extending any amount into the money column.)

15. Paid W. S. King cash for the amount due him on account.

16. Paid board in cash, $4.

16. Received cash for commission on orders taken, $8.40.

17. Received cash for week's salary, $12.50.

31. Paid board in cash, $8.

31. Received cash for two weeks' salary, $25; for commission on orders taken, $17.90.

June, 19—.

6. Paid board in cash, $4.

6. Paid J. W. Blair cash for amount due him on account.

7. Received cash for week's salary, $12.50.

June, 19—.

7. Paid cash for stamps, 50c ; for stationery, 75c.

19. Received cash for note dated April 20, 19—, and for interest at 6%. [See May 1.]

20. Paid two weeks' board in cash, $8.

21. Received cash for two weeks' salary, $25; for commission on orders taken, $26.45.

28. Received cash for week's salary, $12.50.

28. Paid in cash board, $4 ; pew rent, $5.

July, 19—.

3. Lent J. M. Bailey cash on his note at 90 days, with interest at 6%, $125.

5. Paid board in cash, $4.

5. Received cash for week's salary, $12.50.

7. Lent J. V. Gridley cash on account, $60.

10. Bought for cash pair shoes, $3.50 ; 1 doz. handkerchiefs, 75c ; 2 collars, 25c.

18. Paid board in cash, $8.

18. Received cash for commission on orders, $17.25.

19. Received cash for two weeks' salary, $25.

25. Lent J. V. Gridley cash on account, $45.

26. Paid board in cash, $4.

26. Received cash for week's salary, $12.50.

August, 19—.

1. Paid cash for board, $4 ; for books, $3.60 ; for charity, $6.40.

2. Lent M. R. Strong, cash on note at 20 days, with interest at 6 %, $130.

5. Received cash for commission on orders, $31.90.

10. Paid in cash excursion expenses to Niagara Falls, $15.20.

14. Received cash for commission on orders, $24.30.

16. Received cash for two weeks' salary, $25.

22. Received cash of M. R. Strong for note of 2d inst. and for interest.

24. Lent J. V. Gridley cash on account, $85.

29. Paid three weeks' board in cash, $12.

30. Received cash for two weeks' salary, $25 ; for commission on orders, $17.40.

31. Take a trial balance. Determine the present worth by following the directions of step 3, page 100. Then, if Exercise 2 is not to be made a continuation of Exercise 1, balance and rule all accounts not involved in the preceding.

EXERCISE 2

NOTE. In this exercise open an account with Board and enter board items in it instead of in the Expense account.

September, 19—.

1. If this exercise is made a continuation of Exercise 1, perform the work as directed in step 4, page 101. Then omit all that follows under this date, passing on to September 4. If, on the other hand, Exercise 2 is to be written by itself, open new accounts, giving to each the number of lines designated in the paragraph preceding Exercise 1. Then record the following : Cash on hand, $102.23 ; J. S. Ormsby owed on account, $35 ; J. V. Gridley owed on account, $190 ; J. M. Bailey owed on note dated July 3 last, $125.

4. Paid railroad fare and drayage in cash, $7.80. Entered school, paying cash for tuition, $12 ; for books, $8.40.

6. Bought for cash 2 shirts, $2 ; 2 pair cuffs, 40c ; 3 pair socks, 50c.

11. Paid Mrs. Jane Willowby cash for week's board, $3.50.

18. Paid in cash initiation fee to Union Literary Society, 50c.

18. Paid week's board in cash, $3.50.

25. Paid cash for stamps, 40c ; stationery, 50c ; paid board in cash, $3.50.

October, 19—.

1. Received cash of J. M. Bailey for note of July 3 and for interest.

2. Paid week's board in cash, $3.50.

8. Received cash of J. G. Ormsby on account, $20.

12. Lent M. C. Evans cash on account, $15.

16. Paid two weeks' board in cash, $7.

30. Paid two weeks' board in cash, $7.

November, 19—.

6. Paid four weeks' board in cash, $14.

10. Bought ticket for lecture course, paying cash, $1.25.

15. Paid laundry bill in cash, $1.40.

20. Paid in cash membership fee to Christian Association of school, $1.

28. Bought for cash overcoat, $13 ; pair suspenders, 60c ; pair gloves, $1.25.

30. Received cash of J. S. Ormsby for balance due on account.

December, 19—.

3. Paid cash for tuition for second term, $11 ; for books, $5.10.
5. Received cash of J. V. Gridley on account, $25.
8. Lent A. S. Duncan cash on account, $8.50.
11. Paid board to date in cash, $7.
14. Received cash of M. C. Evans for amount lent him October 12.
18. Paid laundry bill in cash, 85c.
20. Bought for cash pair skates, $1.50 ; stamps, 30c.
24. Paid board until end of month in cash, $10.50.
30. Paid railroad fare and holiday expenses in cash, $9.35.
31. Take a trial balance. Determine the present worth (step 3, page 100). Then balance and rule the other accounts.

SUGGESTION. It will be a good drill for the pupil to write up an independent set similar to the preceding, originating about thirty transactions.

CHAPTER XIII

SPECIAL COLUMN BOOKS

Books with special columns are very convenient for many purposes. A special column form is one of the labor saving devices in bookkeeping, and a great variety of these forms are in use in commercial bookkeeping.

On the following pages are given a few illustrations of books with special columns.

HOUSEHOLD EXPENSES

On pages 110 and 111 is given a suggested form for keeping an account of household expenses. The columns may be footed at such times as may be desired, as once a week, once a month, or once a quarter.

With experience different plans for the details may be worked out. In the February portion a plan of grouping the items is illustrated. In this the numbers over the amounts are the days of the month.

Exercise for Household Accounts

Direction. Head the columns in your account book the same as in the illustration. Then in writing the exercise extend the amounts into the proper columns.

In actual practice any classification of the items may be made to suit the convenience of the person keeping the account.

October, 19—.

1. Bread, 10c ; sugar, $1 ; meat, 30c ; milk, 6c.
2. 5 tons coal at $3.75.

A Form of Special Column

1916			TABLE		HEAT and LIGHT	
Jan.	1	Electric light bill for Dec.			1	00
	1	Bread, 0 10; gal. vinegar, 0 30		40		
	2	Pair shoes for Karl				
	4	Allowance for children				
	5	Two tons coal			7	50
	8	Prescription and medicine for Mary				
	9	Milk tickets	1	00		
	12	Potatoes, 1 25; apples, 1 00; crackers, 0 10; cheese, 0 20; bread, 0 15; meat, 0 25	2	95		
	13	Sled for James				
	14	Rocking chair				
	18	Allowance for children				
	19	Goods and trimmings for dress for Mary				
	25	Contribution for charity				
			4	35	8	50
Feb.	1-6	Bread: 0 05; 0 2/10; 0 4/10; 0 5/10; 0 6/10		45		
	1-7	Meat: 0 1/20; 0 3/25; 0 4/13; 0 17/20		80		
	1-8	Groceries: 0 1/40; 1 5/20; 0 7/90; 0 8/80	3	30		
	1	Set aside for lodge dues and benevolence				
	9	Gave Salvation Army				
	10	Subscription to Ladies' Home Journal				
	15	Suit for Karl				
			4	55		

Journal for Household Accounts

BENEVOLENCE	CLOTHING	DOCTOR and MEDICINE	AMUSEMENTS	INSURANCE	OTHER ITEMS
	1 75				25
		85			
			1 50		
					5 25
					25
	4 35				
2 50					
2 50	6 10	85	1 50		5 75
7 00					
1 00					
					1 50
	7 50				
8 00	7 50				1 50

October, 19—.

3. Sack flour, $1 ; meat, 40c.
3. Weekly allowance to children, 50c.
5. Bread, 10c ; meat, 20c ; milk, 6c.
7. Paper, ink, pens, 40c.
8. Milk, 12c ; potatoes, $1 ; crackers, 15c.
10. Electric light for month ending September 20, 75c.
10. Weekly allowance to children, 50c.
12. Butter, 30c ; pickles, 15c ; apples, 40c.
14. Gas bill for month ending September 25, 75c.
15. Suit of clothes for Herbert, $8.75.
16. Insurance on household goods, $3.75.
17. Chicken, 50c ; oatmeal, 10c ; vinegar, 25c ; bread, 10c.
17. Weekly allowance to children, 50c.
20. Ribbon for Louise, 20c.
21. Dozen eggs, 25c ; salt, 10c ; pepper, 10c ; bread, 5c ; milk, 6c.
23. Sausage, 15c ; bananas, 10c ; turnips, 20c.
24. Associated charities of city, $3.
24. Steak, 30c ; corn meal, 50c ; butter, 35c.
26. Weekly allowance to children, 50c.
27. 4 cans fruit, 40c ; sugar, $1.
28. Repairs on rocking chair, $1.25.
30. Pair shoes for Louise, $2.50.
31. Sausage, 20c ; celery, 10c ; bread, 10c.
31. Foot each column and rule as shown in the illustration.

November

In this month short extend [1] the outlays for bread, milk, meat, and groceries as illustrated in the journal for February. When the space left for any item is filled, extend the total to the proper column and start another record for that item after the last entry which you then have.

November, 19—.

2. Weekly allowance to children, 50c.
2. Medicine, 75c.

[1] To " short extend " means to put several amounts in the item column and extend the sum to the money column.

November, 19—.

4. Bread, 10c ; milk, 7c ; meat, 15c.
5. Apples, 75c ; potatoes, $1 ; butter, 30c.
6. Bread, 15c ; milk, 14c ; meat, 20c.
7. Weekly allowance to children, 50c.
9. Electric light for month ending October 20, 90c.
10. Milk, 7c ; bread, 10c ; sausage (meat), 15c.
12. Gas bill for month ending October 25, $1.
14. Sugar, 75c ; bananas, 15c ; milk, 14c ; bread, 10c.
14. Weekly allowance to children, 50c.
16. Prescription and medicine, $1.25.
17. Bread, 10c ; butter, 30c ; salt, 10c.
20. Gave Salvation Army, $1.50.
21. Expenses at entertainment, 50c.
21. Weekly allowance to children, 50c.
23. Cheese, 20c ; steak, 25c ; bread, 10c.
24. Bought dishes, $3.20.
25. 5 cans fruit, 45c ; milk, 7c ; bread, 10c.
27. Half dozen handkerchiefs, 50c.
28. Weekly allowance to children, 50c.
28. Chicken, 45c ; butter, 35c ; bread, 15c ; milk, 14c.
30. Sack flour, $1.30 ; oranges, 20c ; matches, 15c.
30. Foot the columns and rule.

DECEMBER

SUGGESTION. Look over the memoranda for December and use your judgment as to what items to short extend.

December, 19—.

1. Bread, 10c ; milk, 8c ; sugar, $1.
3. Sausage, 15c ; potatoes, $1 ; bread, 5c.
4. Overcoat for Herbert, $7.
5. Weekly allowance to children, 50c.
5. Bread, 15c ; steak, 20c ; milk, 16c.
7. Pair skates for Herbert, $1.
8. Oranges, 15c ; crackers, 20c ; cream of wheat, 10c.
11. Electric light for month ending November 20, 90c.
11. Milk, 8c ; bread, 10c ; 2 cans corn, 15c.
12. Weekly allowance to children, 50c.

December, 19—.

12. Chicken, 40c ; celery, 10c ; crackers, 15c ; bread, 10c.
14. Gas bill for month ending November 25, $1.25.
15. Water bill for November, 70c.
16. Barrel apples, $2.50.
17. Bread, 10c ; milk, 8c ; pork chops, 15c.
18. Ginger, 15c ; cinnamon, 10c ; cheese, 15c.
19. Allowance to children, $1.
19. Muff for Louise, $1.75.
19. Sack flour, $1.25 ; butter, 30c ; dozen eggs, 22c.
21. Toys for Christmas (amusements), $2.20 ; other Christmas presents (miscellaneous), $5.80.
22. Clothing, $7.90.
23. Butter, 30c ; gallon molasses, 40c ; gallon gasoline, 20c.
24. Sweet potatoes, 50c ; veal roast, 30c ; cranberries, 15c ; milk, 14c.
26. Weekly allowance to children, 50c.
26. For charity, $2.
28. 6 cans fruit, 55c ; cabbage, 10c ; cheese, 10c.
28. Renewed subscriptions to papers and magazines, $5.40.
29. Bread, 10c ; milk, 7c; dozen eggs, 28c.
30. Bottle cough medicine, 50c.
31. Package grape nuts, 15c ; salt, 10c ; crackers, 15c ; sack flour, $1.30.
31. Foot the columns and rule.

A Suggested Exercise

Determine the cost per meal for each person in your home. To do this, keep an accurate record for a definite time, say one week. First, give attention to the cost of provision. If any part of this is produced by the family, keep an account of it at the market value. In the second place, keep an account in hours of the time spent in preparing the meals and in washing and putting away the dishes. If you have a servant in the home, note the average number of hours she works per day and determine her wage per hour. If you have no servant, count your own time at the customary wages paid in your locality. Third, estimate the cost of

fuel used. Also keep a record of the exact number of meals eaten. If any members of the family carry lunches, count each of these as a meal. Arrange these items as illustrated in the form below. In this illustration the cost per meal for each item is computed to the nearest tenth of a cent. The illustration is supposed to represent one week in which seventy meals were served.

A boarding house keeper by making a record of this kind occasionally, and comparing the cost with the amount received, could determine the loss or the profit on meals served.

COST OF MEALS FOR ONE WEEK

(70 Meals Served)

		Gross Cost		Cost Per Meal	
	Provision	4	25		061
	Preparation	2	75		039
	Fuel		40		006
	Total	7	40		106

ANOTHER FORM OF BOOK FOR HOUSEHOLD ACCOUNTS

On page 116 is given another form of book for household expenses. If desired, the exercise beginning on page 109 may be written again, using this form. If this is done, insert, at the proper places, the following items:

October, 19—.

1. Cash on hand, $9.85.
1. Received from husband, $20.
15. Received from husband, $15.
24. Received from husband, $10.

November, 19—.

2. Received from husband, $10.
21. Received from husband, $10.

December, 19—.

1. Received from husband, $15.
14. Received from husband, $10.
20. Received from husband, $20.
28. Received from husband, $10.

A Form of Book for Household Expenses

1917			CASH				FOR WHAT PAID							
			Rec'd		Paid		Table		Heat and Light		House-hold		Other Items	
Jan.	*1*	*Cash on hand*	*12*	*10*										
	2	*Bread, 0.15; meat, 0.20; milk, 0.10*			*45*		*45*							
	3	*Received from husband*	*25*	*00*										
	4	*Rent for January*			*20*	*00*							*20*	*00*
	5	*Two tons coal @ 3.50*			*7*	*00*			*7*	*00*				
	10	*Dress goods for Madella*			*4*	*60*					*4*	*60*		
	12	*Sugar, 1.20; sack flour, 1.30*			*2*	*50*	*2*	*50*						
	31	*Balance (Red ink)*			*2*	*55*								
			37	*10*	*37*	*10*	*2*	*95*	*7*	*00*	*4*	*60*	*20*	*00*
Feb.	*1*	*Balance, cash on hand*	*2*	*55*										

A Special Column Cash-Book

On pages 118 and 119 is illustrated a form of special column cash-book suitable for a physician. The headings of the columns may be varied to suit the needs or the desires of the person keeping the account. And any number of special columns may be used.

Exercise for Special Column Cash-Book

A Physician's Cash Account

Direction. Write up the following exercise after the manner illustrated in the cash-book on pages 118 and 119:

April, 19—.

1. Opened cash-book this day, having on hand $50.
1. Paid rent of office for April, $30.
3. Received of W. S. Picken for treatments in office, $15.
3. Paid office girl for week, $8.
6. Received of L. M. Braley for visits to son with measles, $12.
7. Received of Walter Harris for setting and treating broken ankle, $18. (Surgery.)
10. Paid office girl for week, $8.
10. Paid telephone rent, $3.
13. Received of Wm. Lasher for treating his eyes, $9. (Office.)
15. Received of Dr. W. R. Rose for consultation fee in case of Mrs. J. C. Landry, $10.
17. Paid office girl for week, $8.
20. Received for office prescriptions, $6.50.
21. Collected for calls in the following cases: A. D. States, $20; O. S. Carver, $30; B. C. Hastings, $25.
23. Paid for repairs on electrical machine, $3.50.
24. Paid office girl for week, $8.
26. Received of R. M. Evans for amputating thumb, $5.
27. Received for office prescriptions, $4.50.
28. Paid for magazines, $1.75.
30. Foot all columns, balance and rule as in the illustration.

May, 19—.

1. Bring down the cash balance.
1. Paid rent of office for May, $30.
1. Paid office girl for week, $8.
3. Received of John Kelly for office treatments and prescriptions, $8.
6. Received of Samuel Bailey for attending daughter Jennie with typhoid fever, $40.
8. Paid office girl for week, $8.
10. Paid telephone rent, $3.
12. Withdrew cash for personal and family use, $50.
15. Paid office girl for week, $8.
17. Bought rocking chair for office, $4.50.
19. Received fee for removing splinter from John Wilson's hand and treating wound, $3. (Surgery.)
20. Paid for letter heads, $1.50.
22. Paid office girl for week, $8.

A FORM OF SPECIAL COLUMN

CASH RECEIVED

1917			Office Practice		Home Calls		Surgery		Other Items	
Jan.	1	Opened cash-book this day with cash on hand							25	50
	2	John Gibson for examination and treatments	10	00						
	3	J. S. Wilson for calls on daughter with typhoid fever			30	00				
	8	Setting broken arm for Samuel Bovard					10	00		
	10	Consultation fee from Dr. J. K. Raney in case of Wm. McLeod							10	00
	12	Treating Mrs. A. R. Siberts for dropsy	15	00						
	23	Collected for office treatments and prescriptions	8	50						
	25	S. A. Ballard for treating son Karl for measles			18	50				
			33	50	48	50	10	00	35	50
		Office practice							33	50
		Home calls							48	50
		Surgery							10	00
									127	50
Feb.	1	Balance on hand							64	35

May, 19—.

25. Bought mirror for office, $4.

26. Made collections in case of home calls as follows : Uriah Campbell, $15 ; Mrs. A. R. Brown, $20 ; L. K. Bixby, $28 ; R. C. Strong, $17.

29. Received for prescriptions and treatments in office, $13.50.

31. Foot, balance and rule as on April 30.

June, 19—.

1. Bring down the cash balance.

1. Paid rent of office for June, $30.

CASH-BOOK FOR A PHYSICIAN

CASH PAID OUT

1917			OFFICE HELP		TELEPHONE		OFFICE RENT		OTHER ITEMS	
Jan.	1	Rent of office for January					25	00		
	6	Office girl	7	00						
	9	Stationery and stamps							2	25
	13	Office girl	7	00						
	15	Telephone rent			3	00				
	19	Repairs on rocker							2	75
	20	Office girl	7	00						
	25	Letter heads							1	75
	27	Office girl	7	00						
	29	Long distance call				40				
			28	00	3	40	25	00	6	75
		Office help							28	00
		Telephone							3	40
		Office rent							25	00
	31	*Balance (Red ink)*							*64*	*35*
									127	50

June, 19—.

2. Paid light bill for three months, $6.40.
4. Received fee for helping to amputate C. M. Mitchell's foot, $10.
5. Paid office girl for week, $8.
8. Received for treatments and prescriptions in office, $8.25.
10. Paid telephone rent, $3.
11. Bought drugs, $15.
12. Paid office girl for week, $8.
14. Bought magazines for office, $2.25.

A FORM OF SPECIAL COLUMN CASH-BOOK

Received

1917			Poultry		Garden		Dairy		Other Items and Totals	
July	*1*	*Opened cash-book this day having on hand*							*18*	*60*
	2	*15 chickens @ 30¢ each*	*4*	*50*					*4*	*50*
	7	*22 lb. butter @ 25¢*					*5*	*50*	*5*	*50*
	15	*5 doz. eggs @ 18¢*		*90*						*90*
	18	*From husband*							*15*	*00*
	20	*2 bu. potatoes @ 1.20*			*2*	*40*				
		3 doz. beets @ 15¢ per doz.				*45*			*2*	*85*
			5	*40*	*2*	*85*	*5*	*50*	*47*	*35*
Aug.	*1*	*Balance, cash on hand*							*10*	*55*

June, 19—.

18. Made collections on home calls as follows : R. S. Spencer, $40 ; B. C. Downs, $32 ; L. S. Bruce, $27 ; Mrs. R. C. Cover, $18.
19. Paid office girl for week, $8.
21. Paid for repairs on automobile, $3.75.
21. Bought gasoline, 75c.
25. Received for office practice and prescriptions, $9.25.
26. Paid office girl for week, $8.
28. Withdrew for personal and family use, $50.
30. Foot, balance and rule.

On the top of this page and on page 121 is another suggestion of the use that may be made of special columns in the cash-book. A similar form may be used by the farmer himself by giving appropriate headings to the special columns. For the received (or debit) side, the special items might be cattle, hogs, farm produce; and for the paid (or credit) side, implements, repairs, labor. There should always be a column for items which will not come under any of the special classes.

SUITABLE FOR A FARMER'S WIFE

Paid

1917			Groceries and Meat		Clothing		Help		Other Items and Totals	
July	*5*	*18 lb. sugar, 1.00; 2 lb. coffee, 0.50*	*1*	*50*					*1*	*50*
	12	*Servant girl for week*					*4*	*00*	*4*	*00*
	15	*Rocking chair*							*4*	*25*
	19	*Servant girl for week*					*4*	*00*	*4*	*00*
	20	*Salt, 0.50; pepper, 0.25; ginger, 0.15*		*90*						*90*
		Pair of shoes for Leona			*2*	*75*			*2*	*75*
		Dress goods and trimmings for Leona, Madge, and myself			*15*	*40*			*15*	*40*
	26	*Servant girl for week*					*4*	*00*	*4*	*00*
	31	***Balance (Red ink)***							***10***	***55***
			2	*40*	*18*	*15*	*12*	*00*	*47*	*35*

The user of any plan of special columns must decide what items should have special columns. A short list is given here by way of suggestion: Furniture, utensils, implements, machinery, general expense, living expense, farm expense, household, live-stock, hogs, cattle, horses, grain, wheat, corn, fruit, butter, eggs, milk, help, salary, library, board and room, church and benevolence, luxury, savings, interest, lodge dues, commissions, labor, laundry and toilet, stationery and postage.

INDEX AND GLOSSARY

(The numbers refer to pages)

Account (2) — A systematic arrangement of all the debit and credit items of a series of transactions with the same person or pertaining to the same thing. Balancing, 3; cash, 3; classes of, 73; how kept, 3, 15; incidental, 73; loss and profit, 91; notes, 59; personal, 26; property, 34; proprietor's, 91; re-opening, 4; ruling, 4; suggestions about keeping, 23.

Balancing an account, 3.

Bank, account with, 67; exercise for, 67; illustration of, 69; rule for debiting and crediting, 67; savings, 70.

Bill (80) — A statement of indebtedness. A form of, 80; exercises for writing, 81.

Bill-book, 63; a form of, 62; exercise for, 63.

Bills receivable, 62; payable, 62.

Blank books, about forms and, 1.

Bookkeeping — A systematic record of money transactions. Double entry, 90; single entry: See "single entry."

Capitals, use of, 15.

Cash (3) — A term used to include money, checks, money orders, sight drafts, etc., or anything that can be converted into money on demand. Rule for debiting and crediting, 3.

Cash account (3) — The record of cash transactions. Balancing, 3; exercises for, 6; illustration of, 5, 16, 25; suggestions about keeping, 24.

Cash-book, special column, 118, 120; exercise for, 116.

Check (64) — A written order of a person on a bank requesting the payment of a specified sum of money to another person, or to his order. A form of, 65; exercise for writing, 66.

Commissions — An allowance for buying or selling. Exercise for, 76.

Credit, 2.

Creditor — One who is owed.

Debits and credits, 2; rule for bank, 67; for cash, 3; for incidental items, 73; for notes, 58; for persons, 27; for property, 32.

Debtor — One who owes.

Debts (83) — See "liabilities."

Deposit ticket, 68.

Directions for writing a complete exercise, 100.

Double entry bookkeeping (90) — A method of bookkeeping in

which for every debit there is recorded an equal credit.

Drawee (64) — The person who is requested in writing to pay money or to deliver goods.

Drawer (64) — The person making the request for the payment of money or the delivery of goods.

Endorsements. See "indorsements."

Expenses, an account with, 107; household, 109.

Farmer, transactions for a, 101.

Forms and blank books, 1.

Fractions, how to treat, 15.

Gain (83) — See "profit."

Household expenses, 109; exercise for, 109; special column journal for, 110, 116.

Incidental accounts, 73; exercises for, 75; illustration of, 74; rule for debiting and crediting, 73.

Indorsee (56, 64) — The person to whom a note or order is transferred by indorsement.

Indorsements, 55; effect of, 55; exercise in writing, 56.

Indorser (55, 64) — The person who transfers a note or order by indorsement.

Insolvency (83) — The condition in which the liabilities exceed the assets.

Inst. — Of the present month.

Interest, exercise for, 75; illustration of account with, 74.

Inventory (83) — A list of articles on hand at a given time with their respective values computed, usually at the cost price. Exercise for, 89.

Investment, present (83) — See "present investment."

Invoice (80) — A statement of indebtedness. A form of, 80; exercises for writing, 81.

Item — A separate particular in a transaction or in an account.

Journal, a special column for household expenses, 110.

Liabilities (83) — Everything that a person (or concern) owes to others on notes, on account, or otherwise. Statement of assets and liabilities, 84.

Loss (83) — The excess of the cost over the selling price, or a decrease in value. Also outlays incidental to the conducting of a business. Methods of finding, 35.

Loss and profit, methods of finding, 34.

Loss and profit account (91) — The account into which the losses and the profits of a business are collected. Illustration of, 98; rule for debiting and crediting, 92.

Maker of note (51) — The person who signs it; that is, the person who promises to pay it.

Maturity of notes, drafts, etc. (55) — The date when they are due.

Meals, exercise for finding cost of, 114.

Money (3) — The gold, silver, nickel, and copper coins made by the government; also the paper currency issued by the government.

Negotiable, 52.
Net loss (97) — The excess of the losses over the profits.
Net profit (97) — The excess of the profits over the losses.
Non-negotiable, 52.
Note (52) — See " promissory note."
Note receivable, 59; payable, 59.

Order (64) — A request of one person on a second to pay money or to deliver goods to a third person. Classes of, 65; illustration of, 64; parties to an, 64.

Payee (51, 64) — The person to whom the money called for in a note, check, draft, etc., is to be paid.
Personal accounts (26) — Accounts with individual persons, firms, and corporations. Exercises for, 26; illustration of, 27; rule for debiting and crediting, 26.
Physicians, a special column cash-book for, 118.
Present investment (83) — Amount that is invested in a particular business at the time in question.
Present worth (83) — What a person (or concern) is actually worth at the time in question. Methods of finding, 83, 96.
Profit (83) — The excess of the selling price over the cost, or an advance in value. Also any returns for services rendered. Method of finding, 34.
Promissory note (51) — A written promise of one person to pay to another, or to his order, a specified sum of money at a designated time or at a time certain to occur. Account with, 58; exercise in writing, 56; form of, 52; illustrations of, 52; illustration of account, 59; indorsee of, 55; indorsement of, 55; indorser of, 56; maker of, 51; maturity of, 55; negotiability of, 52; parties to a, 51; payable, 59; payee of, 51; receivable, 59; rule for debiting and crediting, 59.
Property accounts (34) — Accounts with items of value and representatives of value. Exercises for, 37; illustration of, 36; rule for debiting and crediting, 35.
Proprietor's account, 91; rule for debiting and crediting, 91.

Receipt (78) — A written acknowledgment of a payment of a debt. Exercises for writing, 79; illustration of, 78.
Red ink, use of — See under " ruling," 4.
Re-opening an account, 4.
Resources (82) — See " assets."
Ruling, 4.

Savings bank account, 70; exercise for, 71.
Short extend (112, footnote) — To put several amounts in the item column and extend the sum to the money column.
Single entry bookkeeping — A method of bookkeeping in which a record is made for only the debit or the credit item involved.
Special column books, 109, 110, 116, 118, 120.
Statements (82, 83) — An exhibit, in a convenient form, of the principal facts of a business or of some phase of the business.

Exercises for, 86; illustration of, 84.

Trial balance (96) — An exhibit of the debit and credit footings of a series of related accounts to determine whether the sums of these footings are equal. Or the sum of the differences between the debit and credit footings of each account may be taken. Illustration of, 96.

Ult. (ultimo) — Of last month.

Printed in the United States of America.